MESSAGE.

PAPERS relative to the prorogation of Parliament on the 13th day of August 1873.

Ottawa, 23rd October, 1873.

OTTAWA:
Printed by I. B. TAYLOR, 29, 31 and 33, Rideau Street.
1873.

276 1873

BIBLIOTHEQUE S.M.E. 1964 Séminaire de Québec

BIBLIOTHEQUE — DE — M. L'ABBÉ VERREAU No. Classe Politique Division Confédération Série No. 51

DUFFERIN.

MESSAGE.

The Governor General transmits for the information of the Senate and House of Commons, the accompanying papers relative to the prorogation of Parliament on the 13th day of August last.

Government House,
Ottawa, 23rd October, 1873.

Bibliothèque,
Le Séminaire de Québec,
3, rue de l'Université,
Québec 4, QUE.

BIBLIOTHEQUE S.M.E. QUEBEC

No. 197.

CANADA, August 15th, 1873.

MY LORD,—I have the honour to state, for your Lordship's information, that at half-past three of the afternoon of Wednesday, the 13th instant, I prorogued Parliament.

As this event is likely to be regarded with dissatisfaction by one of the great political parties in this country, and has been already animadverted upon in no measured terms by a portion of the Canadian press, I propose to give Your Lordship a full account of the circumstances under which it has taken place.

Although I have already acquainted Your Lordship from time to time with everything which has occurred in connection with the grant of the Pacific Railway Charter, as well as with the proceedings in and out of Parliament to which it has given rise, it may be well to preface my intended statement by a brief recapitulation of its previous history.

The scheme of a Canadian line of railway from the Atlantic to the Pacific first acquired a practical character in 1871, when its construction within ten years from that date became one of the conditions on which British Columbia covenanted to enter into confederation.

The first move towards the realization of the project seems to have been initiated not by a Canadian, but by an Englishman of the name of *Waddington*, who, after broaching his proposals in Toronto and elsewhere, apparently without success, eventually succeeded in obtaining the co-operation of a number of capitalists in Chicago and New York, most of whom, though not all, were interested in the "Northern Pacific Railway," a United States line connecting at Lyndon with the continental system, which it is intended to carry across the Northernmost States of the Union to a port on the Pacific, and which will consequently run parallel—though at a lower latitud and over a wider arc—with the proposed Canadian line.

A deputation from these gentlemen seems to have visited Ottawa in the autumn of 1871, and to have had an interview with some members of the Canadian Government, by whom they were informed that the time for entering into negotiations for the construction of the railway had not arrived. For several months no other proposition was received by the Government, but it is stated by Sir *Francis Hincks*, in a letter of which I append a copy, that, being in Montreal in the month of July of the same year, he met Sir *Hugh Allan*, and, giving him the names of some of the Americans who had made these advances, expressed his regret that a work of such importance should fall into the

No. 1.

hands of foreigners. Acting upon this suggestion, Sir *Hugh Allan* turned his attention to the matter, and eventually, in conjunction with these American gentlemen and some Quebec friends of his own, formed a company for the prosecution of the work. But as the Session of 1872 approached, it became evident that the admission of parties connected with the American Pacific to a share in the contract for the Canada Pacific was become unpopular, and, Parliament appearing to share this feeling, it was announced by the Government to Sir *Hugh Allan* that no proposals emanating from an American Company would be entertained.

On this intimation, Sir *H. Allan* appears to have addressed himself to the organization of a purely Canadian company, and gave to the Government the most positive assurances that he had entirely dissociated himself from his American friends.

In the meantime another Company had been formed in Toronto called the "Interoceanic Company," of which Mr. *Macpherson*, a gentleman of very high standing and character, and a Dominion Senator, was chairman.

During the ensuing session—that is, in the spring of 1872—both the Companies, the "Interoceanic" and "Canada Pacific," as Sir Hugh's was now called, obtained Acts of Incorporation, and, at the same time, an Act of Parliament was passed enabling the Government to enter into a contract with one or other of the above-mentioned Companies, or with an amalgamation of the two, or, if they should see fit, to grant a Royal Charter to a new and altogether distinct company, in case an agreement should be found impossible with those already in existence.

The terms which Government was authorized to grant to whatever Company undertook the contract, were settled in the last Parliament, and will already have been communicated to your Lordship by my predecessor, Lord *Lisgar*, who, up to this time, was still in office; but it may be convenient to mention that the principal concessions consisted of a grant, under certain conditions, of 50,000,000 acres of land, in alternate blocks along the line, and of a subsidy of $30,000,000 (say £6,000,000 sterling). Of this sum, the interest of £2,250,000, which, by the transference of the fortification loan to the same account, became eventually £3,800,000, was guaranteed by the Imperial Government.

The session closed on the 14th June. Parliament was dissolved on the 8th July. On the 25th June I arrived in this country, and became personally cognizant of many of the events I now proceed to record.

From the 15th of July to the 12th of October the elections were being held. As soon as they were concluded, Sir *John Macdonald* returned to Ottawa, and the Canadian Pacific Railway became a frequent topic of conversation between us. My Government never seem to have favoured the idea of giving the contract to either of the rival companies, who were then competing for the preference. In Senator *Macpherson's* company an Ontario interest was very strongly represented. In Sir *Hugh Allan's* a Quebec interest predominated. The contemplated undertaking would evidently tax the resources of the country to the utmost. It would be undesirable, therefore, Sir *John* argued, that any Canadians desirous of putting their shoulders to the wheel should be excluded, and a fusion of the two Companies—as provided for in their incorporation acts, and contemplated by the Act of Parliament—was the object to be attained. Into the intricate and somewhat obscure negociations which then ensued between Mr. *Macpherson* and Sir *Hugh Allan*, at the instance of my Government, I need not enter. They are sufficiently displayed in the Blue Book which I subjoin, and which I have marked for reference. It suffices to say that, notwithstanding Sir *John Macdonald's* efforts to bring the parties to an understanding, the negociation altogether failed, principally, as it was alleged on the one side, because Sir *Hugh Allan* had not really broken off his connection with the American interest, and on the other, because Mr. *Macpherson* was not willing to recognize the claims to the chairmanship of Sir *H. Allan*, whose pretensions my Government were disposed to favour, in consideration, as they stated, not only of his influential position in the province of Quebec, but as having been the first Canadian in the field to associate himself with the enterprize.

No. 2.

In reference to this point, I may observe that, although I have no means of knowing either when or to what extent my Ministers may have pledged themselves to favour Sir *Hugh Allan's* election to the chairmanship, the selection of such a person, the originator of the Oceanic line of communication between Great Britain and Canada, a gentleman who might fairly be regarded as the representative capitalist of the Dominion, and who would be more likely than any other to make an impression upon the English money market, was a choice which, at that time, few seemed disposed to question.

Baffled in their efforts to effect the amalgamation they desired, Sir *John Macdonald* and his colleagues announced their intention of promoting the formation of a new and independent Company, out of whatever elements of strength were to be found throughout the Dominion, and shortly before the meeting of the new Parliament in March, a Board of Directors was constituted, which included not only some of the leading promoters of the two defunct companies, but representative men from each of the Provinces of the Dominion. Of this Board, Sir *Hugh Allan* seems to have been elected Chairman as a matter of course, and to the company it represented the Charter was eventually issued.

In previous despatches I have already described to your Lordship the precautions which were taken to prevent any American interest or foreign capital ever obtaining control over the concern. I am not sufficiently conversant with railway financing to assert, on my own authority, that the restrictions introduced into the Charter, with this view are sufficient for their purpose. Money, like water, has a very narrow shoulder, and will find its way wherever it is likely to fructify,—but as far as I can judge, every reasonable precaution seems to have been taken. All the Directors must be British subjects. The President and the majority of the Directors must reside in Canada, and though the shares are transferable, no transfer can be made for the first six years without the consent of the Government, nor after six years without the consent of the Directors,—the transfers in both cases being registered in the books of the company.

Another subject which seemed constantly to pre-occupy the mind of my Prime Minister at this time was the necessity of preventing any one individual, or any one interest, or combination of interests whether represented by Sir *Hugh Allan* or another, from acquiring a predominant influence on the directory. Here again I am not sufficiently familiar with the arcana of Board-rooms to know whether the adjustments on which Sir *John* relied were as effectual for the purpose as they appeared to me to be, but I may observe, that although the scrutiny of Parliament was directed under the light of subsequent events to these especial points, neither House has expressed dissatisfaction with the provisions of the Railway Charter, or the *personnel* of the governing body. On the contrary, up to the last moment of the session, on repeated occasions, Parliament continued to manifest its confidence in those who framed the one and constituted the other. If, therefore, as is alleged, a corrupt modification of the Pacific Railway Charter to the advantage of Sir *Hugh Allan* and his American friends, was the consideration for which these personages squandered the enormous sums asserted to have been spent, it would seem that they have scarcely obtained their money's worth, a result I should imagine, foreign to the experience of such shrewd men of business.

But though the Parliament of Canada thus unmistakably ratified the Railway policy of my Ministers, its verdict on the subject was not destined to pass unchallenged. On the 2nd of April, Mr. *Lucius Seth Huntington*, a distinguished member of the House of Commons, startled his immediate auditory, as well as the whole political world of Canada by the unexpected introduction of the following motion:

"Hon. Mr. *Huntington* moved, that Mr. *Huntington*, a member of the House, having "stated in his place, that he is credibly informed and believes that he can establish by "satisfactory evidence,—

"That, in anticipation of the legislation of last Session, as to the Pacific Railway, "an agreement was made between Sir *Hugh Allan*, acting for himself, and certain other "Canadian promoters, and *G. W. McMullen*, acting for certain United States capitalists, "whereby the latter agreed to furnish all the funds necessary for the construction of the

" contemplated Railway, and to give the former a certain per centage of interest, in con-
" sideration of their interest and position, the scheme agreed on being ostensibly that of
" a Canadian Company with Sir *Hugh Allan* at its head,—

" That the Government were aware that negotiations were pending between these
" parties,—

" That subsequently, an understanding was come to between the Government and Sir
" *Hugh Allan* and Mr. *Abbott*, M.P.,—that Sir *Hugh Allan* and his friends should advance
" a large sum of money for the purpose of aiding the elections of Ministers and their sup-
" porters at the ensuing General Election,—and that he and his friends should receive
" the contract for the construction of the Railway,—

" That accordingly Sir *Hugh Allan* did advance a large sum of money for the pur-
" pose mentioned, and at the solicitation, and under the pressing instances of Ministers,—

" That part of the moneys, expended by Sir *Hugh Allan* in connection with the
" obtaining of the Act of incorporation and Charter were paid to him by the said United
" States capitalists under the agreement with him,—it is

" *Ordered*, That a committee of seven Members be appointed to enquire into all the
" circumstances connected with the negotiations for the construction of the Pacific Railway
"—with the legislation of last Session on the subject, and with the granting of the Charter
" to Sir *Hugh Allan* and others; with power to send for persons, papers and records; and
" with instructions to report in full the evidence taken before, and all proceedings of said
" Committee"—which was negatived.

As I have already remarked in a previous despatch, No. 116, May 3rd, the charge thus brought against my Government was very grave, viz.—that they had trafficked with foreigners in Canada's most precious interests in order to debauch the constituencies of the Dominion with the gold obtained as the price of their treachery. In making these allegations, however, Mr. *Huntington* did not enforce them by any confirmatory statement or by the production of any *prima facie* proofs of their validity. He merely read his motion and sat down. Neither Sir *John Macdonald* nor any of his colleagues having risen to address the House, a division was taken without debate, which resulted in a majority of 31 for Government in a House of 183.

Notwithstanding this display of their Parliamentary strength,—which I imagine was put forward by way of protest against Mr. *Huntington's* appeal to his own mere *ipse dixit*—my Government felt that the matter could not thus be disposed of, and accordingly the next day Sir *John Macdonald* gave notice of the following motion which was carried on the ensuing Tuesday, April 8th:—

" On motion of the Right Hon. Sir *John A. Macdonald*, that a select Committee of
" five members (of which Committee the mover shall not be one) be appointed by this
" House to enquire into and report upon the several matters contained and stated in a
" Resolution moved on Wednesday, the 2nd of April, instant by the Hon. Mr. *Huntington*,
" Member for the County of Shefford, relating to the Canadian Pacific Railway, with
" power to send for persons, papers and records: to report from time to time, and to
" report the evidence from time to time, and if need be to sit after the prorogation of
" Parliament."

" The Members to compose the Committee were then named by the House as follows:
" Hon. Mr. *Blanchet*, Mr. *Blake*, and Hon. Messrs. *Dorion* (Napierville) *Macdonald*
" (Pictou) and *Cameron* (Cardwell)."

Of the five above mentioned gentlemen three, viz.—Mr. *Cameron*, Mr. *Macdonald*, and Mr. *Blanchet*, may be regarded as regular supporters of the administration, and two,—Mr. *Blake* and Mr. *Dorion*, as leading members of the Opposition.

On the debate which took place on this motion, I am informed by my Prime Minister,—and here I must remind your Lordship that I have no other means of acquainting myself with what takes place in the House, as I am precluded from being present at its proceedings, and the newspaper reports are quite untrustworthy,—that Mr. *Mackenzie* the leader of the Opposition, as well as Mr. *Blake*, Mr. *Dorion* and Mr. *Joly*, eminent members of the same party, expressed themselves of opinion that the evidence tendered

should be on oath, and the former gentleman further suggested, it being doubtful whether the Committee could sit after the House was once prorogued, that a Bill should be introduced expressly enabling it to do so. I shall have occasion subsequently to refer to this latter circumstance. As the necessity for sworn testimony in respect of such grave charges was generally obvious, an Oaths Bill was introduced into the House of Commons on the 18th of April,—was passed through the Senate on the 29th, and received the Royal Assent on the 3rd May. The time occupied in getting this measure through Parliament was pronounced unnecessarily long by many members of the Opposition.

Into the motives which induced me to sanction the Oaths Bill and into its subsequent history, I need not enter, as the former are stated in my despatch of the 3rd of May, (No. 116,) and the latter is recorded in your Lordship's communication of June 30th, (No. 198)—but I may observe in passing, that amongst other respects in which my conduct has been criticized, the fact of my having communicated to you by the first opportunity a certified copy of the Oaths Bill has been a very general point of attack. I apprehend it will not be necessary to justify myself to your Lordship in this particular. My law-adviser had called my attention to the possibility of the Bill being illegal. Had perjured testimony been tendered under it, no proceedings could have been taken against the delinquent, and if, under these circumstances, I had wilfully witheld from the Home Government, all cognizance of the Act, it would have been a gross dereliction of duty. To those in this country who have questioned my procedure it would be sufficient to reply, that I recognise no authority on this side of the Atlantic competent to instruct the Governor General as to the nature of his correspondence with Her Majesty's Secretary of State.

In the meantime the Committee had met, and on the 5th of May had resolved amongst other things "That in view of the absence of Sir *George Cartier* and the Hon. "*J. J. C. Abbott*, and the impossibility of the investigation with which the Committee "is charged being carried on in a proper manner without an opportunity being afforded "these gentlemen of being present and hearing the testimony adduced, it was advisable "the Committee should adjourn until Wednesday, the 2nd day of July, if Parliament "should be then in Session,"—a conclusion which appears to have been arrived at in the Committee by a majority of three to two. On the following day these recommendations were adopted by the House of Commons, on a vote of 107 to 76.

The ordinary business of the Session being now nearly concluded, and it having been admitted, I understand, by all parties, that the Committee could not sit after prorogation, it was arranged that the House should adjourn to such a day beyond the 2nd July, as would enable the Committee to complete the investigation and to frame their report. The date eventually determined on was the 13th of August, which was also settled as the day on which Parliament was to be prorogued.

As the nature of the understanding at the time in respect of this latter event has been warmly controverted, it is necessary that I should here acquaint your Lordship with the facts of the case so far as I am cognizant of them. Early in May,—I forget the exact date,—Sir *John Macdonald* waited upon me in my office, and having communicated to me the arrangements contemplated for the convenience of the Committee, informed me that he wished to take my pleasure as to the date of prorogation, mentioning the 13th of August as the one he desired to suggest. Having received my assent to this proposal, he repaired to the House of Commons, and announced from his place as Leader of the House and the person responsible for the conduct of public business, that Parliament would be prorogued on the 13th August, stating—as he affirms—in the most distinct terms, that the "re-assembly of Parliament on that day would be *pro* "*formâ*,—that no business would be done beyond the reception of the report of the "Committee, which could then be printed with the evidence, and go before the country,—"that the Members would not be required to return, and that only the Speakers of the "two Houses need be in their places"—The only observation elicited by this announcement proceeded from Mr. *Holton*, an Opposition Member, who remarked "that to do "any business there must be a quorum, and that he and a quorum would be there,"—to

which Sir *John* informs me he replied, that "if a quorum was necessary a sufficient number of Members would be found in the neighbourhood of Ottawa,"—a quorum consisting of the Speaker and nineteen others. It was upon this understanding, Sir *John* assures me, that the House consented to adjourn, and in confirmation of his assertion he has communicated to me the subjoined letter from Mr. *Palmer*, the Member for St. John :

"ST. JOHN, AUGUST 11, 1873.

"*Sir John Macdonald, Minister of Justice, Ottawa.*

"SIR,—In consequence of statements that I understand have come from some members of the Commons to the effect that there might be an actual Session of Parliament at the adjournment on the 13th, to you, as the leader of the Government, I beg to make the following statement by way of protest.

I have to remind you that the House of Commons only consented to adjourn to that time on your pledge openly given in the House that no business should be transacted, nor would the attendance of members be required, as there would be enough around Ottawa to make a quorum; that Mr. Speaker would receive the report of the Committee on the *Huntington* charges, so that it might be published, and that then Parliament would be at once prorogued.

"If this promise had not been made, I do not believe the House would have consented to any such adjournment. I certainly would not have given my consent to any adjournment that would have put the country to an expense of a quarter of a million dollars by bringing the Legislature together again.

"At all events, be that as it may, I feel that it would be dishonourable for myself to attempt to do business at an adjournment of the House, at which my colleagues had been told that no business would be done, and that they need not attend, and therefore I must decline to do so; and I protest at any attempt to do business, and I require the Government to fulfil the pledge made to me and to every member of the House, that Parliament would be at once prorogued.

"While I do this, I do not wish to interfere in any way with the right of the Government to call Parliament together whenever they think the exigencies of the country require it; they must be the judges of that, and be responsible for it; but let that be done in the usual way, that all may understand that it is their duty to attend; and when I, together with all my colleagues, am so called upon, I trust that I shall be found in my place, and I shall then feel that whether or not all my colleagues attend, they will not have been kept away by a pledge that they would not be required, and I could therefore honourably join in doing anything that the House might consider for the interests of the country.

"I have the honour to be, &c.,

"A. L. PALMER,

"Member for the City and County of St. John."

As far as my opinion is concerned, I am quite clear that it was the desire and expectation of Parliament that prorogation should take place at the time mentioned. Every member must have known that Sir *John's* announcement on the subject was an intimation of the pleasure of the Crown through its official organ in the House, and that the Prime Minister could only have made it after receiving my authority to do so. Formerly, the intentions of the Sovereign on this subject were conveyed to either Chamber by a written message, but though a verbal communication through the First Minister has been now substituted, it does not render this latter mode of communication less formal or official. Had therefore the House of Commons desired to prolong the Session beyond the 13th of August, its proper course would have been to have communicated its wishes to me by an Address. Though the fact that no motion to this effect was even suggested, is sufficiently conclusive, there are other circumstances which indicate more or less distinctly the feeling of the House. The

motion originally appointing the Committee, and carried on the 8th of April, ordered it to sit, "if need were, after prorogation," and more than one member of the Opposition urged the propriety of a Bill being introduced to enable it to do so. Clearly, therefore, when this motion was carried and these suggestions made, the majority who passed the one and the individuals who proposed the other must have contemplated the probability of the Report of the Committee being considered, not in the present but in a subsequent Session of Parliament. Indeed, the mere fact of prorogation being fixed for the 13th of August implies this much, for it is not to be presumed that the House would have proceeded to consider the Report, until both it and the evidence upon which it was founded had been printed and distributed to Members,—but to enable this to be done an interval of a few days, after Parliament had reassembled and had received the report, would manifestly have been required before action could have been taken upon it. If, therefore, Parliament had contemplated considering the Report during the current Session it would have desired a later day to be fixed for prorogation than that on which the mere manuscript copy of the Report was to be laid on its table.

Again, when Mr. *Dorion* moved in amendment of the motion for the Committee's adjournment to the 2nd July, that "inasmuch as the Committee will have "no power either to enforce the attendance of witnesses or to compel them to give "testimony without the action of this House, it is essential to the proper conduct of the "investigation that it should be prosecuted under circumstances that will admit of the "prompt exercise of the authority of the House, it is therefore necessary that the House "should sit on the day to which the Committee has leave to adjourn," the House decided against him by a majority of 101 to 66,—one of the representatives from British Columbia, as I am informed, protesting against Members from the more distant Provinces in the Dominion being required to return to Ottawa so late in the summer as the 2nd of July.

But the intention of the House is still further exhibited by the following circumstance. During the Session a Bill was passed increasing the indemnity paid in this country to Members of Parliament for their attendance. Into that Bill a clause was introduced to the following effect: "The said amendments shall apply to the present "Session of Parliament, and if either House shall adjourn for more than thirty days such "adjournment shall, for the purposes of such act, be equivalent to a prorogation." This provision was intended by its authors to enable Members to receive their salaries and travelling expenses on the 23rd May, the day on which Parliament adjourned, without having to wait for the 13th August, the day named for prorogation. I may also mention that the same day, *i.e.*, on the 23rd May, I came in State to the Senate Chamber to give my assent to the Bills of the Session; and in view of a Progress I intended to make through the Maritime Provinces during the summer, I provided, before leaving Ottawa, for the prorogation of Parliament by commission, in order to spare myself the labor and fatigue of a journey of 2,400 miles for what I understood would be a mere formality.

From the foregoing narrative your Lordship will probably agree with me in the conclusion that up to the time when the Houses adjourned, it was clearly the wish and the expectation of Parliament that prorogation should take place on the 13th August. And it is most natural that this should have been the case. The commercial business and the agricultural operations of the year have to be crowded into the five short months of summer. Almost every Member of both Houses in this country is actively engaged in business pursuits requiring his personal attendance. To be detained from home at this season implies not only extreme inconvenience but pecuniary loss. Already the lateness of the current Session had bred considerable discontent, and it had been expressly determined by the House that in future the Session should never begin later than the first week of February. The distance from Halifax to Ottawa is something like 1,200 miles, from Victoria in British Columbia it is 4,000 miles. The reassembly of Parliament in August, for the transaction of business, would have cut up the entire summer, as far as many members were concerned, and would have been more or less inconvenient to all but those who reside within a day or two's journey of Ottawa. The

majority in the House of Commons appear to have attached but little significance to Mr. *Huntington's* accusations, for they negatived his motion without even requiring my Ministers to reply to it, and I do not imagine that any one of them contemplated a renewal of the Session on the 13th of August. But though the conduct of the majority who confided in the Government is easily understood, the procedure of the Members of the Opposition is more difficult to explain. They had in their possession, it is to be presumed, what they considered convincing proofs of the corruption of Ministers. The matter had been referred to the adjudication of a committee, and according to the theory of the prosecution, could have but one result. Strong in these convictions, they should never have allowed the announcement of Prorogation to have passed unchallenged, but should have resorted to every means known to the constitution by which such a consummation could have been precluded. Indeed, so obvious was their duty in this respect, that their opponents have attributed to them a deliberate intention of allowing the dispersion of the majority to take place *sub silentio*, with a view to the packing of a House with their own adherents on the day to which it had adjourned, an operation to them exceptionally easy, as the Parliamentary strength of the Ministers lies principally in the Maritime and outlying Provinces, while their own is close at home in the central region of Ontario and Quebec. The subsequent publication in the newspapers of the documents now known as the *Allan* and *McMullen* correspondence is pointed to as having been a move in aid of the same unworthy policy, by supplying a sudden and unexpected pretext for insisting on the immediate intervention of Parliament at a time when the Ministerial supporters were dispersed.

I do not, however, myself attach the slightest credit to this injurious insinuation. Although undoubtedly party strife is conducted in this country with less reticence and generosity than at home, and although the combatants "strike below the waistcoat" more frequently than could be wished, my personal knowledge of the leaders of the Opposition convinces me that such a design would be quite foreign to their natures. My own opinion is, that, from first to last, they found themselves impeded by the initial mistake in tactics,—as I ventured at the time to consider it,—committed by Mr. *Huntington* in not re-enforcing his motion by the production of some of the documents on which it was founded. Had he done so, Parliament would undoubtedly have listened to him with greater respect, and Mr. *Dorion's* motion might perhaps have been carried: for though Mr. *Huntington's* case is far from being proved, no one can now deny that if he was in possession of the *Allan* correspondence at the time he demanded his committee, he had a right to require an investigation of the suspicious circumstances thus brought to his knowledge. The premature disclosure of his hand could not have been the objection, for a sufficiency of "*pièces justicatives*" for his purpose have since been produced. As it was, he could not convince the House of the urgency of the affair, and discouraged by their repeated defeats, the Opposition, I imagine, gave up all hopes of being able to persuade Parliament to dispute the arrangements of the triumphant minister. Be that as it may, it is certain that the day after the adjournment, most of the members of both Houses dispersed themselves in different directions, some to their homes, some to the States, and some to Europe, without any more intention of returning to Ottawa, on the 13th of August, than myself.

On the 2nd July, Mr. *Cameron's* committee met in Montreal, but in the meantime I had received an intimation from your Lordship that the Oaths Bill had been disallowed by the Queen in Council, and I had made the fact public by Proclamation.

Immediately on receipt of this intelligence, communications had passed between Sir *John Macdonald* and myself as to the course to be pursued. Sir *John* was inclined to issue a Commission to the members of the Committee, but as he hesitated to do so from an unwillingness to expose the Crown to the rejection of its mandate, I addressed him in the following terms:—

"THE CITADEL, QUEBEC, June 28th, 1873.

"I beg to acknowledge the receipt of your letter of the 19th. I am sure you are quite

"right not to allow the Committee to be postponed beyond the time originally fixed for "the opening of its proceedings.

"On the part of the Crown, I should have no objection to the offer of the Commission "as you propose, and I think you may with perfect propriety act upon the resumption "that the members of the Committee will accept the charge confided to them."

"The Government has stretched its legal conscience and encouraged Parliament, "though not without warning, to exceed its legitimate powers in order to facilitate this "enquiry. The obstacle now interposed is one with which you have no concern, and be- "yond your control. You propose to obviate the difficulty by the only means in your "power,—but a means both legitimate and effectual. No one can doubt that for the "purpose for which the Committee was originally constituted, its conversion into a Com- "mission can make no practical difference. As a Commission it will take evidence, and "as a Committee it will report upon that evidence to the House. It would be unreason- "able to allege that in discharging this double function, and in acquiring in addition to the "powers delegated to it by Parliament, a technical authority at the hands of the Crown "to take evidence on oath, it abates one tittle of its constitutional independence."

Thus authorized, Sir *John* communicated with Mr. Cameron in the following letter:—

"MONTREAL, July 2nd, 1873.

"Sir,—As the Act which would have enabled the Committee, now sitting in Montreal, "of which you are Chairman, to examine witnesses on oath, has been disallowed, as being "beyond the competence of the Canadian Parliament, I desire to renew to you as Chairman "of the Committee the offer made by me on the part of the Government on the floor of the "House of Commons, to issue a Royal Commission addresed to the gentlemen forming the "Committee which would confer upon them all the powers given to the Committee by the "House of Commons, including the examination of witnesses under oath, and the power to "send for persons, papers and records, and containing the same provisions as to the votes "of the members of the Committee and yourself as Chairman, as was ordered by the House. "The acceptance of this Commission will enable this Committee to proceed with the enquiry, "and the examination of witnesses on oath without any important delay. I shall cause a "copy of this letter to be sent to each member of your Committee.

"I have the honor to be,
"Your obdt. servant,
"J. A. MACDONALD.

"To Hon. J. H. Cameron, &c., &c.

"P.S.—The Commission will contain a clause enjoining the Commissioners to report "to the Speaker of the House of Commons.

"(Signed) J. A. MACDONALD."

The majority of the Committee are understood to have been willing to return a favor- able reply to this proposal had their colleagues assented, but neither Mr. *Dorion* nor Mr. *Blake* considered themselves at liberty to accept the arrangement, and stated their reasons in the following terms:—

"*To the Right Honourable Sir John A. Macdonald.*

"SIR,—I have the honour to acknowledge the receipt of your letter of the 2nd inst., "received this morning, enclosing a copy of a letter addressed by you to the Hon. *J. H. "Cameron*, Chairman of the Special Committee of the House of Commons, now sitting in "Montreal, in which you state that, as the Act which would have enabled the Committee "to examine witnesses under oath had been disallowed, as being beyond the competence of

"the Canadian Parliament, you desire to renew to him, as Chairman of the Committee, "the offer made by you on the part of the Government to issue a Royal Commission, ad- "dressed to the gentlemen forming the Committee, which would confer upon them all the "power given to the Committee by the House of Commons, including the examination of "the witnesses by the Committee; but, as I understand your proposal, it is that the Gov- "ernment should give to the several members of the Committee named by the House of "Commons to enquire into the charge made against it, a Commission to enquire into the "same charges, with power to examine witnesses under oath, and this with a view to "carry out the intention of the House, to have this enquiry made under oath. Now I "would beg to call to your attention that the Committee was originally named on your "own motion, as an ordinary Parliamentary Committee, without reference to any au- "thority to examine witnesses under oath, and that it was only on the suggestion of the "Committee subsequently made, that the House and Senate unanimously passed the Oaths "Bill, although on more than one occasion you yourself made the suggestion, unheeded by "the House, that a Commission might be issued instead of passing an Act to authorize the "administering of oaths to the witnesses. This alone seems to me to be conclusive that the "House of Commons, whose nominee I am on the Committee, did not intend that the en- "quiry should be carried on by a Commission appointed by the Executive, and responsible "as such only to that Executive. It seems to me, moreover, that the authority which is "sought to be conferred on the Committee to examine witnesses under oath cannot be "attained by the issue of a Royal Commission, for, although the Commissioners appointed "might examine witnesses under oath, it would not be as members of the Committee ap- "pointed by the House that they would do so, but as Commissioners, whose decisions and "proceedings would be subject to the supervision and control of the Executive, under "whom they would hold their appointment, and not of the House. I have always been "willing, as a member of the House of Commons, to obey its commands in reference to any "Parliamentary duties it might impose upon me; in that view I did not shirk the arduous "and unenviable position of a member of this Committee of Enquiry, as being part of the "labour and duty to which a member of Parliament is bound to submit; but if, instead of "moving for the appointment of a Committee by the House, the Government had pro- "posed to name me on a Commission for the purpose of this enquiry, I would then cer- "tainly have declined the proposed Commission. I cannot see why I should now accept it, "when it seems to me that the effect of issuing such a Commission would be to supersede "the Committee, and more especially in view of the declaration you made immediately "before the adjournment of the session in reference to Mr. *Blake* and myself, that we "should not have consented to serve on the Committee, that men in our positions in Eng- "land would not have done so, and that you could not expect any fair play at our hands. "This alone should be a sufficient reason why I humbly believe I should not be called "upon to accept a Commission from the Government of which you are the head, after "your public declaration, made in my absence, of my unfitness to perform what the Com- "mission would impose on me.

"I have the honour, &c.,
(Signed) "A. A. DORION."

"MONTREAL, July 3.

"SIR,—I have the honour to acknowledge the receipt of your letter of the 2nd "inst., enclosing a copy of a letter addressed by you to the Hon. Mr. *Cameron*, as "Chairman of the Pacific Railway Enquiry Committee. I cannot agree in your "statement that the acceptance of a Royal Commission would enable the Committee to "proceed with the enquiry and the examination of witnesses on oath. The Committee is, "I believe, unanimously of opinion that the acceptance of the Commission would not "enable the Committee to make progress, and that the action of the Commissioners

"(whether or not they be the same persons as those who constitute the Committee) would "be entirely disconnected from the action of the Committee. Sharing their opinion, I am "called on to consider whether I should accept the offer made by the Government, of a "Royal Commission addressed to the gentlemen who happen to be members of the "Committee, calling on them to enquire into the matters of charge preferred in the state- "ment of Mr. *Huntington*. I believe that it would be of evil consequence to create the "precedent of a Government issuing a Commission of enquiry into matters of a charge "against itself, the Commissioners, being as they are, subject to the direction and control "of the accused. I believe that the acceptance of such a Commission would be opposed to "the sense of the House of Commons, as manifested by its action last session, and would, "under present circumstances, be calculated to prejudice the enquiry ordered by the House, "and to impair the full and efficient exercise of its most ancient and important powers. "The House of Commons, does not, I think, expect that the Crown or any one else, least "of all the members of its own Committee, will interpose between itself and the great en- "quiry which it has undertaken. Apart from these and other difficulties, you have yourself "interposed a barrier to my acceptance of your offer. During my absence from the House "of Commons last session, you stated in your place that I had done wrong in not declining "to fulfil the duty of Committeeman, which had been imposed on me by the House, that "English statesmen in my position—which, however, you misstated—would have scorned "to do as I had done, and that my speeches during the session showed that your Govern- "ment could not expect fair play from me on the enquiry. I shall not condescend to reply "to these statements, but I have to say that although I reluctantly came to the conclusion, "that I was not free to decline to serve the House of which I am a member, I do not "think it consistent with my self-respect to accept the Commission here offered by a Min- "ister, who has chosen to so characterize my conduct. I have sent a copy of this letter "to Mr. *Cameron* for his information as Chairman of the Committee.

"I have, &c.
(Signed) "EDWARD BLAKE.

"The Right Hon. Sir Jno. A. Macdonald."

I do not presume to question for a moment the propriety of the course adopted by these gentlemen. As members of the House of Commons, they may have had a more acute appreciation of their Parliamentary obligations than had occurred to my apprehension,—but I trust that your Lordship will not consider that I acted wrongly in thus endeavouring to forward the enquiry by what I considered an opportune expedient.

The committee being thus precluded from swearing in their witnesses, a motion was made by Mr. *Dorion* supported by Mr. *Blake*, that they should content themselves with unsworn testimony, but the majority considering themselves debarred from this course by the express instructions of the House upon the point, they determined to adjourn until the 13th of August.

This resolution was taken on the 3rd of July. The day after there appeared in the *Montreal Herald*, a series of letters and telegrams written by Sir *Hugh Allan* to a Mr. *McMullen*, and to a Mr. *Smith* of Chicago, and to some unknown person in the United States in reference to the Canadian Pacific Railway. The day following a long statement on the same subject in the form of an affidavit was issued by Sir *Hugh Allan* in another newspaper. I have already had the honour of forwarding to your Lordship both these documents, but I think it well to append them to this despatch for convenience of reference. It is not necessary for my present purpose that I should either analyse or contrast the conflicting assertions observable in these productions. It will be sufficient to note that not only does Sir *Hugh Allan* admit upon oath that the language of his letters is "inaccurate" but he also denies in the most positive manner the

No. 3. and No. 4.

correctness of the inferences sought to be deduced from them. On the whole, as far as I could gather from the tone of the press, and from conversation, these revelations rather improved than otherwise the position of the Ministry. On the one hand, Sir *Hugh Allan's* letters accounted for and justified Mr. *Huntington's* pertinacity, on the other, his affidavit,—or rather, Sir *John Macdonald's* telegram quoted in the affidavit,—satisfactorily proved that so far from yielding himself or allowing his colleague, Sir *George Cartier*, to yield to the pressure put upon him by Sir *Hugh Allan* in the height of the election contest, my Prime Minister had required the immediate and complete cancelling of an arrangement favourable to Sir *Hugh* to which Sir *George* had evinced a willingness to subscribe. In illustration of this point, I subjoin Sir *George Cartier's* letter as well as Sir *Hugh Allan's* reference to Sir *John Macdonald's* telegram concerning it.

[COPY]

"MONTREAL, 30TH JULY, 1872.

"DEAR SIR HUGH,—

"I enclose you copies of telegrams received from Sir *John A. Macdonald*; and with "reference to their contents I would say that, in my opinion the Governor in Council will "approve of the amalgamation of your Company with the Interoceanic Company, under "the name of the Canadian Pacific Railway Company, the Provincial Board of the amal-"gamated Company to be composed of seventeen members, of whom four shall be named "from the Province of Quebec by the Canada Pacific Railway Company, four from the "Province of Ontario by the Interoceanic Railway Company, and the remainder by the "Government; the amalgamated Company to have the powers specified in the tenth section "of the Act, incorporating the Canada Pacific Railway Company, &c., the agreement of "amalgamation to be executed between the companies within two months from this date.

"The Canada Pacific Company might take the initiative in procuring the "amalgamation; and if the Interoceanic Company should not execute an agreement of "amalgamation upon such terms and within such limited time, I think the contemplated "arrangements should be made with the Canada Pacific Company under its charter.

"Upon the subscription and payment on account of stock, being made, as required "by the Act of last session, respecting the Canadian Pacific Railway Company, I have no "doubt but that the Governor in Council will agree with the Company for the construction "and working of the Canadian Pacific Railway with such branches as shall be agreed "upon, and will grant to the Company all such subsidies and assistance as they are em-"powered to do by the Government Act. I believe all the advantages which the Govern-"ment Act empowers the Government to confer upon any Company will be required to "enable the works contemplated to be successfully carried through, and I am convinced "that they will be accorded to the Company to be formed by amalgamation, or to the "Canada Pacific Company, as the case may be.

"I would add, that as I approve of the measures to which I have referred in this "letter, I shall use my best endeavours to have them carried into effect.

"Very truly yours,

"(Signed,) "GEO. E. CARTIER."

Extract from Sir H. Allan's affidavit of July 5th.

"On the same day that I received the above letter from Sir *George Cartier*, I in-"formed Sir *John A. Macdonald* of the contents of it, and asked for his sanction of the "views which it contained. But he declined to concur in the terms of Sir *George's* letter, "telegraphing to him that he would not agree to them, and that he would come down "to Montreal and confer with him respecting them. Thereupon, I immediately informed "Sir *George Cartier* that I should consider the letter addressed to me as being withdrawn; "and to my knowledge Sir *George* telegraphed Sir *John* that he had seen me and that as

"he (Sir *John*) objected to Sir *George's* letter, it had been withdrawn. I also telegraphed "to Sir *John* on the same day (July 31st) to the effect that I had seen Sir *George Cartier*, "and that he (Sir *John*) might return my letter or regard it as waste paper, and that I was "satisfied with the telegram of the 26th as expressive of the views of the Government."

No. 5.

But any reaction in favour of the Government which might have thus set in was more than counterbalanced by the appearance of another series of letters, which I also re-append, and which are now generally known as the *McMullen* correspondence. Amid these productions there have been introduced documents of a very compromising character, the one a letter from Sir *George Cartier* asking for twenty thousand more dollars ($20,000 = £4,000 sterling), and the other a telegram from Sir *John Macdonald* demanding an additional ten thousand dollars ($10,000 = £2,000 sterling). These latter I subjoin :—

"MONTREAL, Aug. 24, 1872.

"DEAR MR. ABBOTT,—In the absence of Sir *Hugh Allan*, I shall be obliged by your "supplying the Central Committee with a further sum of twenty thousand dollars upon "the same conditions as the amount written by me at the foot of my letter to Sir *Hugh* "*Allan* of the 30th ultimo.

"GEORGE E. CARTIER.

"P.S.—Please also send Sir *John A. Macdonald* ten thousand dollars more on the "same terms."

"TORONTO, Aug. 26th, 1872.

"To the Hon. J. J. C. ABBOTT, St. Anne's :—

"(*Immediate, Private.*)

"I must have another ten thousand ; will be the last time of calling ; do not fail me ; "answer to-day.

"JOHN A. MACDONALD."

But for the appearance of the foregoing documents, I doubt whether so great an impression would have been produced on the public mind by the statement of Mr. *McMullen*. I myself have no knowledge of the gentleman, and have no right to impeach his veracity, but it is manifest that many of his assertions are at variance with Sir *Hugh Allan's* sworn testimony, while others have been contradicted by gentlemen whose credibility it would be difficult to impugn. Even with regard to the documents themselves, it is to be observed that they were neither addressed to Mr. *McMullen* nor to any one with whom he was associated, and that they could scarcely have come into his possession by other than surreptitious means. They do not therefore necessarily connect themselves with those nefarious transactions to which Mr. *McMullen* asserts he was privy. It is further contended by the friends of the Government that the sums mentioned or even referred to were not very large—about £12,000 sterling in all—an amount which would go but a little way to defray the legitimate expenses of the 150 Ontario and Quebec Elections, and that there was nothing to show whether they had been proffered as a subscription or as a temporary loan from a wealthy political partizan. Their sinister significance resulted in a great measure from their factitious juxtaposition with Mr. *McMullen's* narrative. Under these circumstances, though without attaching too much importance to mere conjectural pleas of this kind, I was unwilling to jump to a hasty conclusion on a matter involving both the private and the public honour of my Ministers, and above all things I felt bound not to allow my judgment to be swayed by the current of popular suspicion which this concatenation of documents would naturally produce.

I happened to be at Prince Edward Island when the *McMullen* correspondence reached my hands, whither two of my Ministers—Mr. Tilley, the Minister of Finance, and Dr. Tupper, the Minister of Customs—had also come for the purpose of settling certain details consequent on the recent confederation of the Island. I immediately sent for these gentlemen, and the strenuous assurances I received from each of them confirmed my hope that matters might be satisfactorily explained. But, however that might be, I knew that our original programme for the indefinite prorogation of Parliament could no longer be adhered to, and that my presence at Ottawa on the 13th August was imperative. Understanding, however, that preparations were in progress for our public reception at Halifax, I thought it better to proceed thither, and to make no announcement of my subsequent intentions until the last moment. At the same time I wrote to Sir *John*, and intimated to him that the position of affairs had changed since we parted—that a recess for the usual period was no longer possible, and that it was necessary Parliament should be provided with as early an opportunity as circumstances permitted of pronouncing upon the points at issue between himself and his assailants.

On reaching Halifax, on the 29th July, I found the popular excitement all over the Dominion was intense, and that my supposed views, sympathies and intentions, were becoming not merely the subject of conjecture, but of assertion and comment in the rival newspapers,—the Government press stating, as if upon authority, that my course would be so and so,—announcements which were met by the Opposition prints with strong admonitory or rather minatory articles. As, at this time, I had by no means made up my mind as to the proper course to be pursued, and felt that no decision was possible until I had seen my Ministers, I determined to take an early opportunity of deprecating the introduction of the Governor General's name into such a controversy. An occasion soon presented itself, and I have the honor to subjoin an extract from a newspaper report of a speech I made at a dinner given to me by the Halifax Club :—

* * * * * "And here, gentlemen, I should be dis-
" posed to conclude this imperfect expression of my thanks, were I not desirous of con-
" veying to my friend, the Chief Justice, the great gratification I have derived from the
" remarks which have dropped from him in regard to my official position as Governor
" General of this great Dominion. Gentlemen, I am well aware that this is, as it were,
" a domestic festival, and that nothing could be more inopportune than the slightest
" allusion to any political topic, but I may be permitted to say this much in reference to
" what has fallen from the Chief Justice, that if there is one obligation whose importance
" I appreciate more than other, as attaching to the functions of my office, it is the abso-
" lute and paramount duty of maintaining not merely an outward attitude of perfect
" impartiality towards the various parties into which the political world of Canada as
" well as of the Mother Country is divided, but still more of preserving that more subtle
" and inward balance of sympathy, judgment, and opinion which should elevate the
" representative of your Sovereign above the faintest suspicion of having any other
" desire, aim, or ambition than to follow the example of his Royal Mistress in the relation
" she has constantly maintained towards her Ministers, her Parliament, and her people
" (tremendous applause); to remember every hour of the day that he has but one duty and
" but one object—to administer his Government in the interests of the whole Canadian
" people, and of the Dominion at large. (Great cheering.) Of course, gentlemen, having
" been but one brief year in the country, my character and my sentiments in these
" respects can scarcely be known, and there is always a danger during the fervour
" of these political controversies, which seem to be conducted by the press of Canada with
" peculiar liveliness and animation—(great laughter)—of unauthorized references being
" made to the Governor General's supposed sentiments, opinions, and intentions, which
" would convey to the uninstructed reader a very erroneous impression of the conduct
" and the attitude of the chief of the State. Gentlemen, I do not make this remark by
" way of complaint. If there is any person in Canada who has been kindly and con-

" siderately dealt with by the press, to whom the press of every political complexion has
" shown indulgence and good will, it is myself, and it is most natural and
" by no means an uncomplimentary circumstance, that the organs of different shades
" of opinion should persuade themselves that the Governor General must necessarily
" be of their way of thinking, and see through their spectacles.. (Laughter.)
" But what I wish to say once for all, and I do not care how widely this remark is
" disseminated, is this—that there is no human being who is authorized to make any
" statement or suggestion as to what my opinion or sentiments may be in respect of any
" political topic, or who has ever been in a position, or is likely to be in a position, to make
" anything approaching to a conjecture upon points of this description. It is true,
" my object and my desire is to inform my mind upon every subject affecting the interests
" of the country, by conversation and by discussion with any one who can afford me
" instruction or information ; and it would be very unfortunate for me if this freedom
" of intercourse with all classes and parties in Canada, from which I derive so much
" benefit and pleasure, should be trammelled by the dread lest this casual intercourse
" should become the foundation for inference, comment or conjecture in the press. No,
" gentlemen, I understand my duty too well ever to allow my judgment or my sympathies
" to be surprised into political partizanship. My one thought and desire is the welfare
" of Canada as a whole. To maintain her honour, to promote her prosperity, to do my
" duty by her and her entire people, is the sole object of my ambition. When I converse
" with your public men, it scarcely ever occurs to me to remember to what political party
" they belong. I only see in them persons devoting themselves, each according to his
" lights, to the service of his country. My only guiding star in the conduct and mainten-
" ance of my official relations with your public men is the Parliament of Canada. (Cheers.)
" In fact, I suppose I am the only person in the Dominion whose faith in the wisdom and
" the infallibility of Parliament is never shaken. (Great laughter.) Each of you,
" gentlemen, only believe in Parliament so long as Parliament acts according to your
" wishes—(cheers and laughter)—and convictions. I, gentlemen, believe in Parliament
" no matter which way it votes—(laughter)—and to those men alone whom the deliberate
" will of the confederated Parliament of the Dominion may assign to me as my responsible
" advisers can I give my confidence. (Cheers.) Whether they are the heads of this party
" or of that party must be a matter of indifference to the Governor-General. (Cheers.)
" So long as they are maintained by Parliament in their position, so long is he bound to
" give them his unreserved confidence, to defer to their advice, and loyally to assist them
" with his counsels. (Applause.) Whenever, in the vicissitudes of party warfare, they
" are replaced by others—(laughter)—he welcomes their successors with an equally open and
" loyal regard. (Cheers.) Such private friendships as he may have formed he may have
" a right to retain. (Hear, hear.) As a reasonable being he cannot help having
" convictions upon the merits of different policies—(hear)—but these considerations are
" abstract, speculative and devoid of practical effect on his official relations. (Cheers.)
" As the head of a constitutional State, as engaged in the administration of Parliamentary
" Government, he has no political friends ; still less need he have political enemies.
" (Great cheering.) The possession, or even to be suspected of possessing either, destroys
" his usefulness. (Loud cheers.) Sometimes, of course, no matter how disconnected he
" personally may be with what is taking place, his name will get dragged into some
" controversy, and he may suddenly find himself the subject of hostile criticism by the
" press of whatever party may for the moment be out of power. (Laughter.) But, under
" these circumstances, he must console himself with the reflection that these spasmodic
" castigations—(laughter)—are as transitory and innocuous—(great laughter)—as the
" discipline applied occasionally to their idols by the unsophisticated worshippers of
" Mumbo Jumbo—(immense laughter)—when their harvests are short or a murrain
" visits their flocks. (Cheers.) For, gentlemen, of this I am certain : although he may
" sometimes err in his judgment, or fail in serving you as effectually as he might desire
" a Viceroy who honestly seeks to do his duty—(cheers)—to whom the interests of Canada

" are as precious and her honour as dear as his own—(immense cheering)—who steers " unmoved an even course, indifferent to praise or blame, between the political " contentions of the day-- (cheers)—can never appeal in vain to the confidence and " generosity of the Canadian people. (Immense applause.)"

But though keeping my final decision in suspense, my mind was much occupied, as your Lordship may imagine, with the consideration of the various courses open to me. On one point I was quite clear—namely, that it would not be right for me to countenance the settlement of the serious issues raised between my Ministers and their opponents—involving, as they did, the personal honor of the most eminent men in Canada, the fate of my Ministry, and the public credit of the country—except at the hands of a full Parliament, in which the distant provinces of the Dominion were as well represented as those of Ontario and Quebec.

As I have already described to your Lordship in the earlier part of this despatch, before Parliament adjourned on the 23rd of May, I had caused it to be announced to both Houses that Prorogation would take place on the 13th of August. This arrangement, I have no hesitation in saying, was agreeable to what were then the views of the majority both in the Senate and in the House of Commons. On the faith of this pledge, many gentlemen were gone to so great a distance that it was physically impossible for them to be recalled, and it so happened, from causes to which I have already referred, that by far the larger proportion of these absentees were supporters of the Government. All the members from British Columbia, except Sir *F. Hincks*, were on the wrong side of the Rocky Mountains. Some Ministerialists were in Europe, as I was informed, others in the States, and even to those in the Maritime Provinces, a return to Ottawa, though not physically impossible, as it was to their colleagues, would prove a great inconvenience at such a season. On the other hand, I learnt that the Opposition were mustering their full force, an operation for which they possessed certain geographical facilities. Were, therefore, the House of Commons to meet for the transaction of public business, it was evident that important votes might be passed, and decisions taken, contrary to the real sense of the country, and that my Ministers might justly complain that they were being unfairly treated, and their fate determined by a packed Parliament.

But, apart from these practical considerations, a grave question of principle seemed to me involved. The Imperial Officer representing the Crown in the Dominion, is the natural protector of the federal rights of its various Provinces, as secured under an Imperial Act. The sanctity of the rights of any one of these Provinces is not affected by the number of its representatives or the amount of its population. In this view it is especially necessary that, in a country of such enormous distances, ample notice should be given of the times and seasons when Parliament is to sit. But if it be once admitted that the official " fixtures " which regulate the opening or closing of a Session and the conduct of public business, are to be capriciously tampered with, and changed at so short a notice as to preclude the distant representatives from being present, it is evident much wrong and inconvenience would result, and the door be opened to a great deal of trickery at the hands of an unscrupulous Minister.

The foregoing considerations pointed pretty distinctly to prorogation as an inevitable necessity of the situation. Only one other alternative indeed either suggested itself then or has occurred to me since, and that was another adjournment of the House to such a date as would suit the convenience of the absentees. At first, I confess this course appeared to me fairly practicable, but further reflection disclosed difficulties I had not at once seen. In the first place, this was an arrangement which I had not the power of enforcing, and I was confronted by the obvious reflection, that if the Government made a motion to that effect, it might be defeated or met with an amendment tantamount to a vote of want of confidence at the hands of the majority in presence, and I should then find myself landed in the very position which I was quite satisfied ought to be avoided. Even if the opponents of the Government were to refrain from taking so unfair an advan-

tage of their numerical superiority, it was evident that in view of the adjournment, preliminary issues would crop up of vital importance relative to the fresh instructions to be given to the Committee; for instance, whether the evidence was to be sworn or unsworn, and, if the former, how the oath was to be administered,—all of which would necessarily be decided in a manner unduly adverse to the Government, and in the absence of those who had an undoubted right to make their voices heard on the occasion. I was so anxious, nevertheless, to find some way of avoiding a course which I foresaw would be denounced, however unjustly, as an undue exercise of the Queen's Prerogative, that I thought it desirable to make a suggestion in this sense to Sir *John Macdonald*, offering at the same time to become the channel of communication by which an understanding between him and his opponents might be arrived at. Sir *John's* reply was very much in the sense I had anticipated. He insisted upon the injustice of his Government being given over bound hand and foot to the tender mercies of their opponents in the absence of his supporters, whom he had dismissed to their homes with my sanction, and with the acquiescence of Parliament. He called my attention to the fact, that the Opposition organs, far from hinting at any compromise, were insisting on the fact that a quorum of Parliament could do anything that Parliament itself could do, and were evincing by unmistakeable signs that they would show no quarter:—that both Messrs. *Blake* and *Dorion* had endeavoured to persuade the Committee to content themselves with unsworn evidence, and that if Parliament met for business they would be in a position to pass an instruction to the Committee to that effect,—that no man would be willing to risk his life, still less his honour in the hands of witnesses released from the consequences of perjury,—and finally, that he would not feel himself safe in entering into any arrangements dependent upon the *bona fides* of those with whom I had suggested he should treat.

Unfortunately, in this country party animosity is intense, and the organs of each side denounce the public men opposed to them in terms of far greater vigour than those to which we are accustomed in England. The quarrel at this moment is exceptionally bitter. The one party openly accuse the other of personal dishonour, while these regard their opponents as unscrupulous conspirators. As a consequence, a mistrust of each other's fair dealing,—which I cannot believe to be justified on either hand,—has been engendered, which would render the *rôle* of mediator under any circumstances extremely difficult. As it was, the former part of Sir *John's* representations, if not the latter, co-incided too closely with what had occurred to my own mind to enable me to deny its cogency. There being however no further time for correspondence, I left Halifax on Saturday night, the 9th August, and arrived in Ottawa on the morning of Wednesday the 13th. Had I been at liberty to have done so, I should have preferred starting sooner, but the town of Halifax had organized a series of popular demonstrations in our honour for Saturday afternoon, and it would have occasioned great dissatisfaction had I absented myself.

Before continuing my narrative, there is one incident connected with my stay at Halifax which perhaps ought to find mention here. Mr. *Huntington* sent me a sealed packet covered by an official communication to my Secretary, which, as I understood from the gentleman who brought it, as well as from Mr. *Huntington's* letter, contained copies of the incriminatory documents in his possession. As the matters to which the papers referred had become the subject of a public investigation before a House of Commons Committee, and as I was still uncertain what turn affairs might take, I did not consider it would be proper for me to take personal cognizance of these papers. I therefore returned the packet unopened to Mr. *Huntington*.

The 13th August was not only the day appointed for prorogation, but it was also the day to which the Committee of enquiry had adjourned, but as far as I can gather from the subjoined report of what occurred it came together to very little purpose. Indeed its whole procedure on this occasion is difficult of comprehension, in consequence, I suppose, of the meagreness of the only report of what passed, which I have been able to

obtain. In the first place, only four out of the five Members were present, and eventually another, Mr. *Dorion*, withdrew in the middle of a discussion, leaving what are considered the Government Members in a majority. One of these, Mr. *Blanchet*, then proposed that they should report their proceedings to the House. Mr. *Blake*, in amendment of this suggestion, moved the adjournment of the Committee, which was carried,—the result being that when the House met at three o'clock, as had been arranged six weeks before, for the very purpose of receiving the Committee's report, no report of any sort or description was forthcoming. The following is the account of the proceedings referred to:—

"OTTAWA, Aug. 13.

"The Pacific Committee met at 11.30. Present: Messrs. *Cameron, Blanchet, Blake, Dorion.*

"At the request of Mr. *Blake*, the resolution passed by the Committee at last meeting—that the Committee cannot proceed without further instructions from the House, was read.

"Mr. *Blake* moved that the said resolution be rescinded.
"Yeas—*Blake, Dorion.*
"Nays—*Cameron, Blanchet.*
"Resolution lost.

"After some conversation as to the Committee making a report to the House,

"The CHAIRMAN said if Mr. *Dorion* and Mr. *Blake* were not in favour of making a report, and withdrew because they thought no report should be made, the majority of the Committee would not make any report.

"Mr. *Dorion* said he wanted a report to be made, but did not concur with the majority.

"The CHAIRMAN—All we propose to do is simply to report our proceedings to the House. If you don't like that report, we need not make any at all.

"Mr. *Dorion*—If I move any amendment, I would stop the report from being made.

"The CHAIRMAN—It is impossible for me to tell the result of merely reporting our proceedings to the House. But if you don't think any report of our proceedings should be made, I have no objection that it be so resolved. My own impression is that as we reported all our former proceedings to the House, there is no objection to our also reporting those which have taken place since the last meeting of the House.

"Mr. *Dorion* said he would not interfere with such a step.

"The CHAIRMAN—Then I suppose it is so resolved, and we have completed our business?

"Mr. *Blake*—No, there is a quorum present, and any amendment is in order. I move that the House be asked to give such instructions to the Committee as will enable them to proceed with the enquiry.

"Mr. *Dorion* here withdrew from the room, and the motion was carried unanimously by Messrs. *Cameron, Blanchet* and *Blake.*

Mr. *Blake* inquired of the Chairman—Do you propose to give the House communication of this resolution?

"The CHAIRMAN—Not unless you move it to be done.

"Mr. *Blake*—Do you propose to communicate any of the previous proceedings?

"The CHAIRMAN—I do not.

"Mr. *Blanchet*—I think we should report our proceedings. I move that the proceedings of the Committee since 17th May last be reported to the House.

"Mr. *Blake*—I move an amendment that the Committee adjourn till eleven o'clock to-morrow.

"Carried.

"Yeas—*Blake, Cameron.*
"Nay—*Blanchet.*
"The Committee then adjourned."

A few hours after my arrival in Ottawa, Sir *John Macdonald* called upon me by appointment, and formally submitted the unanimous advice of my Ministers, that Parliament should be prorogued according to the announcement made by my authority in both Houses previous to its adjournment. After some conversation, in which we went over the whole ground, and again examined the suggestion contained in my letter relative to an adjournment, I finally announced to him, that on a due consideration of all the circumstances of the case, the prorogation of Parliament seemed to me inevitable,—that I did not feel myself justified in withdrawing my confidence from Ministers, or in concluding that Parliament had done so, and that, therefore, I was prepared to be guided by the counsels of himself and his colleagues,—but that I must formally insist on one condition as the price of my assent to prorogation, viz:—that Parliament should be again convoked within as short a period as was consistent with the reasonable convenience of Members, and that I considered six or eight weeks was as long an interval as should intervene before the House re-assembled. Sir *John Macdonald* did not offer any objection to this proposition—indeed he had already volunteered a suggestion to a similar effect,—and it was agreed that I should meet my Council at two o'clock, in order that it might be ratified in the presence of all my Ministers.

At one o'clock, however, I was unexpectedly informed that a deputation of Members of Parliament was desirous of waiting upon me with a memorial against prorogation. I had not received the slightest intimation of the intention of these gentlemen, yet, although I felt the propriety of such a step upon their part was very questionable, I concluded to receive them.

In the meantime I had repaired to the Council Chamber, as agreed upon, where my Ministers jointly re-submitted the advice they had commissioned Sir *John Macdonald* to convey on their behalf in the morning. I made the same reply to them as to my Prime Minister, and the re-assembly of Parliament within the time specified was agreed upon. It was, however, suggested that if ten weeks were named as the limit instead of eight, it would be possible to get the preparation of the Estimates sufficiently advanced to roll two Sessions into one, and dispense with the usual Spring Session. Although I was scarcely in a position to know how far this proposal was practicable or would be acceptable to Parliament, it would evidently prove such a saving of expense to the country and of fatigue and inconvenience to Members, many of whom would otherwise scarcely have time to return to their homes at all, between an autumn and the usual Session, that I consented to the additional fortnight upon the specific understanding, however, that if in the interval anything should occur which, in my opinion, required Parliament to meet sooner, an expression of my wishes to that effect would be at once acted upon without comment or discussion.

These matters being settled, I returned to where the deputation of remonstrant Members was waiting for me. They were introduced by their Chairman, Mr. *Cartwright*, a gentleman for whom I have a great esteem. In presenting the Memorial, Mr. *Cartwright* stated that it had been signed by ninety-two members of Parliament, and that another gentleman had intimated his willingness to have his signature attached to it. I found, however, on examining the document that three of the ninety-two signatures had been affixed by deputy, though, of course, with the full authority of their owners. I note the circumstance, however, as I shall have occasion to refer to it hereafter.

As my interview with my Council had occupied some little time, it had not been possible for me either to study or to write my reply to the Memorial. I was therefore forced to make Mr. *Cartwright* and his friends an extempore answer, which was afterwards reduced to writing as nearly as possible in the terms actually used. This document together with the Members' Remonstrance I subjoin for your Lordship's information.

Memorial.

"The undersigned, Members of the House of Commons of Canada, desire respectfully to approach your Excellency and humbly to represent that more than four months have already elapsed since the Honourable Mr. *Huntington* made, from his place in the House, grave charges of corruption against your Excellency's constitutional advisers in reference to the Pacific Railway contract; that although the House has appointed a Committee to enquire into the said charges, the proceedings of this Committee have, on various grounds, been postponed, and the enquiry has not yet taken place; that the honour of the country imperatively requires that no further delay should take place in the investigation of charges of so grave a character, and which it is the duty and undoubted right and privilege of the Commons to prosecute.

"The undersigned are deeply impressed with the conviction that any attempt to postpone this enquiry, or to remove it from the jurisdiction of the Commons, would create the most intense dissatisfaction; and they, therefore, pray your Excellency not to prorogue Parliament until the House of Commons shall have an opportunity of taking such steps as it may deem necessary and expedient with reference to this important matter.

"The number of names signed to this document is ninety, within ten of one-half the House. They are as follows:—

"OPPOSITION.—Anglin, Archibald, Bain, Beckard, Bergin, Blain, Blake, Bodwell, Bourassa, Bowman, Boyer, Brouse, Buell, Burpee (Sunbury), Cameron (Huron), Cartwright, Casey, Casgrain, Cauchon, Charlton, *Church, Cockburn (Muskoka), Cook, Cutler, Delorme, St. George, Dorion, Dorion, Edgar, Ferris, Findlay, Fiset, Fleming, Fournier, Galbraith, Geoffrion, Gibson, Gillies, Goudge, Hagar, Harvey, Higginbotham, Holton, Horton, Huntington, Jetté, Laflamme, Landerkin, McDonald (Glengarry), McKenzie, Mercier, Metcalf, Mills, Oliver, Paquet, Paterson, Pearson, Pelletier, Pickard, Poser, Prevost, Richard, Richards, *Ross, Ross, Ross, Ross, Rymal, Smith (Peel), Snyder, Stirton, Taschereau, Thompson, Thomson, * Tremblay, Trow, White (Halton), Wilkes, Wood, Young, Young.

"MINISTERIALISTS.—Burpee (St. John), Coffin, Cunningham, Forbes, Glass, Macdonell (Inverness), Ray, Schultz, Scriver, Shibley, D. A. Smith (Selkirk), A. J. Smith (Westmoreland)." †

Reply.

"*Gentlemen*,—It is quite unnecessary for me to assure you that any representations emanating from persons possessing the right to speak on public affairs with such authority as yourselves will always be considered by me with the greatest respect, even had not circumstances already compelled me to give my most anxious thought to the matters to which you are now desirous of calling my attention.

"You say, in your memorandum, that four months have elapsed since the Hon. Mr. *Huntington* preferred grave charges of corruption against my present advisers, in reference to the Pacific Railway contract, and that although the House has appointed a Committee to enquire into these charges, the proceedings of this Committee have on various grounds been postponed, and the enquiry has not yet taken place.

"Gentlemen, no person can regret more deeply than I do these unfortunate delays, the more so as they seem to have given rise to the impression that they have been unnecessarily interposed by the action of the Executive.

---

* The names thus noted were signed by proxy.

† The above classification is founded on the votes taken on Mr. Huntington's motion. One or two gentlemen, however, classed with the opposition might be more properly set down as "Independent."

"It may be premature at this moment to enter into a history of the disallowance of "the Oaths Bill, but this much, at all events, it is but fair to every one that I should "state viz., that immediately after I had assented to that Act, I transmitted a certified "copy of it to the Secretary of State, in accordance with the instructions by which I am "bound on such occasions. That, leaning myself to the opinion, (an opinion founded on "the precedent afforded by the Act of the Canadian Parliament, which empowers the "Senate to examine witnesses on oath,) that the Act was not *ultra vires*, I accompanied "it by a full exposition of the arguments which could be urged in its support; but on "the point being referred by the Secretary of State for the professional opinion of the "Law Officers of the Crown, it was pronounced inconsistent with the Act of Confeder- "ation, and that, therefore, the postponement of the enquiry, so far as it has arisen out "of this circumstance, has resulted wholly by the operation of law, and has been beyond "the control of any one concerned.

"You then proceed to urge me, on grounds which are very fairly and forcibly stated, "to decline the advice which has been unanimously tendered to me by my responsible "Ministers and to refuse to prorogue Parliament; in other words you require me to dis- "miss them from my counsels; for, gentlemen, you must be aware that this would be "the necessary result of my assenting to your recommendation.

"Upon what grounds would I be justified in taking so grave a step?

"What guarantee can you afford me that the Parliament of the Dominion would "endorse such an act of personal interference on my part?

"You, yourselves, gentlemen, do not form an actual moiety of the House of Com- "mons, and I have no means, therefore, of ascertaining that the majority of that body "subscribe to the opinion you have enounced.

"Again, to what should I have to appeal in justification of my conduct?

"It is true grave charges have been preferred against these gentlemen; charges "which I admit require the most searching investigation; but as you, yourselves, remark "in your memorandum, the truth of these accusations still remains untested.

"One of the authors of this correspondence which has made so painful an impression "upon the public, has admitted that many of his statements were hasty and inaccurate; "and has denied on oath, the correctness of the deductions drawn from them.

"Various assertions contained in the narrative of the other have been positively "contradicted.

"Is the Governor General, upon the strength of such evidence as this, to drive from "his presence gentlemen who for years have filled the highest offices of State, and in whom "during the recent Session, Parliament has repeatedly declared its continued confidence? "It is true certain documents have lately appeared in connection with these matters of "grave significance, in regard to which the fullest explanation must be given, but no "proof has yet been adduced which necessarily connects them with the culpable transac- "tions of which it is asserted they formed a part, however questionable they may appear, "as placed in juxtaposition with the correspondence to which they have been appended "by the person who has possessed himself of them.

"Under these circumstances, what right has the Governor General, on his personal "responsibility, to proclaim to Canada—nay, not only to Canada, but to America and "Europe, as such a proceeding on his part must necessarily do, that he believes his "Ministers guilty of the crimes alleged against them? Were it possible at the present "time to make a call of the House, and place myself in a direct communication with the "Parliament of the Dominion, my present embarrassment would disappear, but this is a "physical impossibility. I am assured by my Prime Minister, and the Report of the "proceedings at the time bears out his statements, that when Parliament adjourned it "was announced by him, as the Leader of the House, that the meeting on the 13th of "August would be immediately followed by prorogation; that no substantive objection "was taken to this announcement; and that, as a consequence, a considerable portion of

"your fellow Members are dispersed in various directions. I should therefore only "deceive myself were I to regard the present Assembly as a full Parliament.

"Since the adjournment, indeed, circumstances have occurred which render your "proximate re-assembly highly desirable, but in this country there are physical circum- "stances which necessarily interpose a considerable lapse of time before the represe atives "of the various Provinces comprising the confederated Parliament of Canada can a semble, "separated as some of them are by thousands of miles from the capital of the Dominion.

"In regulating the times and seasons when Parliament is to be called together, the "Executive is bound not only to consider the reasonable convenience of these gentlemen "but also to protect the federal rights of the Provinces which they represent, and under "these circumstances I have concluded, on the advice of my Ministers (and even if I "differed from them as to the policy of such a course, which I do not, it is a point upon "which I should not hesitate to accept their recommendation,) to issue a Royal "Commission of enquiry to three gentlemen of such legal standing, character and "authority as will command the confidence of the public, by virtue of the powers con- "ferred upon me by the Act, 31 Vic., cap. 38. On the other hand, I have determined "in proroguing Parliament to announce to the Members of both Houses my intention of "assembling them immediately after the Commission in question shall have concluded its "labors. By these means an opportunity will be afforded for the preliminary expurgation "of these unhappy matters before a tribunal competent to take evidence on oath; ample "opportunities will be given to the Members of the more distant Provinces to make their "preparations, in view of an Autumnal Session; and within two months or ten weeks "from this date a full Parliament of Canada will take supreme and final cognizance of "the case now pending between my Ministers and their accusers.

"Gentlemen, the situation we have been discussing is one of great anxiety and "embarrassment, but I cannot but hope that on a calm retrospect of the various "considerations to be kept in view, you will come to the conclusion that in determining "to be guided by the advice of my Ministers, on the present occasion—in other words, "in declining to act as though the charges which have been advanced against them were "already proven, and in adhering to arrangements upon the faith of which many of your "colleagues are absent from their places, I have adopted the course most in accordance "with the maxims of constitutional government, and with what is due to those whom "the Parliament of Canada has recommended to my confidence."

After the Members had retired, it had become time for me to proceed to the Senate Chamber, and about half-past three o'clock the Speaker appeared at the Bar, and Parliament was prorogued. Considerable excitement, I am informed, prevailed in the House of Commons, and cries of "Privilege" were uttered, when Black Rod made his appearance; but as far as I can learn, nothing was done or said incompatible with the dignity and self-respect of that assembly. Only the Ministerialists present, about thirty-five in number, accompanied the Speaker to the Senate Chamber. The Opposition, amongst whom, on this occasion, I suppose must be included thirteen of the ordinary supporters of my Government who had signed the Memorial, remained behind in their places. Upwards of seventy Members in a House of two hundred must have been absent—all of whom, with the exception of three, were claimed by Government as their adherents.

In the evening, what is popularly known as an "indignation" meeting was held, No. 6. under the presidency of Mr. *Mackenzie*. I have appended to this despatch a report of its proceedings.

I have thus recounted, in as faithful language as I can command, the various circumstances connected with the recent Prorogation. In doing so, your Lordship will perceive that I have not attempted to discuss, still less to defend the action of my Ministers on any of the occasions referred to, except so far as the justification of their conduct follows as a corollary to the vindication of the attitude I myself have assumed. The propriety of their procedure is a matter which they will have to settle with the Canadian Parliament. My contestation would be, that the fact of their being hereafter

proved innocent or guilty of the accusations alleged against them, or of having acted judiciously or the reverse, is a result which can have no relation to my share in these transactions, and that, given the circumstances in which I found myself, I have acted in the highest interests of the Parliament and of the people of Canada. In the same way, if from time to time I have argued against any of the views maintained by the Opposition, it has only been as contending against their implied condemnation of what I myself have done or said.

Were I to be put upon my defence, my best justification would be found in a review of whatever other courses may be considered to have been possible, but this enquiry has been pretty well exhausted in the course of the preceding statement. The alternatives I have seen suggested by those who are disposed to criticise my conduct are indeed very few. The morning after the news of the prorogation had reached Toronto, but before my pledge in regard to an Autumn Session was known, the *Globe*—a recognised organ of the Opposition, and one of the ablest conducted papers in Canada—in lamenting the prospect of a recess which was to last to February of next year, observed that "a prorogation "for two or three weeks" would have been a proper course. As I had actually anticipated, the pith of these suggestions (for the question of a few extra weeks, I apprehend, could not have become any grave cause of complaint) I naturally might have expected to have been complimented on my action; but although this paper and all the other Opposition journals in Canada have, with a few exceptions, shown great forbearance to me personally—considering the excitement which prevailed and the forcible language in which leading articles are written—I am afraid I must admit to your Lordship that its subsequent allusions to my procedure have not been eulogistic.

But if a short prorogation was wrong, what were the alternatives? An adjournment. But an adjournment is an act of the House, and cannot be compelled by the Executive. The leader of the House had already rejected the suggestion, and not the slightest intimation had ever reached me that such an expedient would be agreeable to the Opposition. On the contrary, their last word within an hour of the time the House was to meet, as conveyed to me by the ninety-two Members, amongst whom were Mr. *Mackenzie* and Mr. *Blake*, was—"Let us meet and proceed to business as though we were "a fully constituted assembly, representing the collective will of the people."

But it has been suggested that I should, on the one hand, have compelled the acquiesence of Sir *John Macdonald* in an adjournment by refusing to prorogue, while on the other, Mr. *Mackenzie* ought to have been driven into the arrangement under a threat of prorogation.

Now I am quite ready to admit, that one of the functions of a Governor General is to moderate the animosities of party warfare, to hold the balance even between the contending parties, to see that the machinery of the Constitution is not unfairly strained for party purposes, to intervene with his Counsels at opportune moments, and when desired by his Ministers to become the channel of communication with their opponents, or even though uninvited, to offer himself as negotiator in a difficulty. But the *rôle* marked out for me above is very different from this. I certainly should not have considered it consistent with my personal honor to have approached my Prime Minister with a threat I had no intention of executing, even had I seen less clearly than I did the objections to the course proposed, while, except at his instance, I should have been still less justified in opening communications with the Opposition. But as I have already explained the mere negotiation of an adjournment would not have advanced matters in any degree, unless the issues relative to the future proceedings of the Committee could have been settled at the same time; but the divergencies of opinion upon these points were irreconcileable and could never have been satisfactorily dealt with except by the House in full Session.

If then my choice lay—which seems to be admitted—between a short prorogation and a barren adjournment for a similar period, I do not think it can be disputed that the former was the preferable of the two.

Of course it was always open to me to have dismissed my Ministers, and have to

taken my chance of Parliament approving my conduct, but I did not feel myself warranted in hazarding such a step on the data before me. Indeed, the rashness and injustice of the proceeding would probably have roused such a feeling of dissatisfaction in the minds of what I have no reason to know may not prove the majority of the constituencies that there would have been a great chance—if Sir *John* and his friends came at all decently out of the affair—of their being borne back into office on the shoulders of the people. If wholly exculpated, your Lordship can imagine what my position would become in presence of the reaction that would have ensued. At all events as I told the remonstrant members in my reply, I was not prepared by publicly withdrawing my confidence from my Ministers, to proclaim to Canada, to America, and to Europe that I believed untried men guilty of such atrocious crimes as those imputed to them. It is however not necessary to debate this line of conduct, as no responsible person in this country has ventured to recommend it.

But though not directly suggesting the dismissal of my Ministers, it has been very generally contended that I should have considered them under a ban, and should have ceased to act on their advice, though still retaining them in office. The establishment of a relationship of this kind between the Crown and its Ministers would be a novel fact in Constitutional history, and might have proved difficult of execution. I was to go to my Council and say to them "Gentlemen, you state that in your opinion the Crown has "pledged itself to Parliment to prorogue on a certain day: you assert as a matter of "fact that relying on this pledge sixty or seventy members are not in their places, "and that to allow the House to proceed to business in their absence would be a gross "impropriety to which you would not consent, and that in view of this circumstance as "my constitutional advisers, placed about me by the will of Parliament, you unanimously "advise me to prorogue. Well gentlemen, when Parliament last voted, you possessed a "commanding majority: whether you have lost the confidence of Parliament or not I can- "not tell. You say you have not. Others say you have. Your political opponents have "brought grave accusations against you. You are therefore under a ban. You have "forfeited my confidence. I do not intend to take your advice, except on mere questions "of administration but—Pray retain your places." To which, of course, these gentlemen would have replied:—"We are highly sensible of your Excellency's forbearance, per- "haps you will favor us with a list of subjects on which you will accept our recommend- "ation, as well as an *index expurgatorius* of those which are tabooed. The arrangement "will lighten our responsibilities, our salaries will remain the same, and our honour"—I cannot exactly conjecture how the sentence would have concluded. But the suggestion that my refusal to take their advice on prorogation would not have been tantamount to a dismissal of them, is too untenable to need refutation.

Before, however, closing this head of the discussion it may be well to examine the grounds on which it is alleged, I ought to have withdrawn my confidence from Sir *John Macdonald* and his colleagues.

In order to answer this question, we must inquire what I had to go upon? There were Mr. *Huntington's* statements as displayed in his motion,- but these statements were not statements of facts, but of conclusions drawn from facts within Mr. *Huntington's* knowledge perhaps, but not within mine, and offered no safe foothold. Next there were Sir *Hugh Allan's* statements,—but upon which was I to found myself,—upon those in Sir *Hugh's* letters, in which he admits there was a good deal of "inaccurate" language, or upon those in his affidavit. If upon the latter, could I have pronounced the Government guilty? Then there were Mr. *McMullen's* statements,—but these have been much questioned, and many of them have been contradicted. I do not think the people of Canada would be willing to allow the reputation of any of their representative men to be staked upon evidence of this nature. Lastly, there were Sir *George Cartier's* letter, and Sir *John Macdonald's* telegram. In respect to these documents, I would merely observe that suspicious as they might appear, no man would have been justified in acting upon any conclusion in regard to them, until it had been shown with what transactions they were con-

nected. There is as yet no evidence to prove that the sums referred to were consideration moneys for the Pacific Railway charter; and Sir *Hugh Allan* states upon his oath that they were not, as will be seen from the subjoined extract from his affidavit:—

"In these and similar ways I expended sums of money approaching in amount those "mentioned in those letters, as I conceive I had a perfect right to do; but I did not "state in those letters, nor is it the fact, that any portion of those sums of money were "paid to the members of the Government, or were received by them or on their behalf "directly as a consideration in any form for any advantage to me in connection with the "Pacific Railway contract."

On the other hand, what were the countervailing facts within my knowledge. The theory of the prosecution "is that the terms of the charter were corruptly modified to "the advantage of Sir *Hugh Allan* and his American confederates." Has the bargain been carried out? Certainly not as far as the Americans are concerned. Their complaint is that they have taken nothing by their motion. I was myself a witness of the pains taken to exclude them when the charter was being framed. Have Sir *Hugh Allan* and his friends been gratified with that control over the concern to attain which Mr. *McMullen* asserts he bribed my Ministers? This is a fact less easy to elucidate, but I myself believe that he has not. At moments when Sir *John Macdonald* could not have been playing a part he gave me repeated indications of his desire to prevent Sir *Hugh* from obtaining any commanding influence on the direction. That direction was framed with a view to a proper representation upon it of every Province in Canada, regard being had to the wealth and population of each. It numbers amongst its members gentlemen who had been on the direction of the late Interoceanic Company, and it includes the names of men whom every one would acknowledge, would never willingly associate themselves with any dishonourable enterprise. It is difficult to believe that these personages are either the willing or unconscious tools of Sir *H. Allan*. Hence, we must arrive at the inference that, at all events, if the crime was imagined, it can scarcely have been consummated. This would not in the least excuse its authors, but if a thing has not been done, the fact affords *primâ facie* grounds for believing that it was not intended to be done. Lastly, I have received the most solemn assurances from my Ministers, both individually and collectively, on their word as men of honour, and on their fealty to the Crown as my sworn Councillors, that they are absolutely innocent of the things laid to their charge.

On a balance of the foregoing considerations, can any one say that I should have been justified in deliberately violating my first duty as a constitutional ruler on a premature assumption of the guilt of these gentlemen?

But a still more important question remains behind. Had I any means of knowing that my Ministers had forfeited the confidence of the House of Commons,—for, of course, if this were the case, any inward impressions of my own would cease to be elements of the problem?

What were the facts upon which I could rely? During the whole of the preceding Session the Government had marched from victory to victory, as will be seen by the subjoined record of votes taken on test divisions:—

7th	March,	majority for	Government	16
18th	do	do	do	25
2nd	April,	do	do	31*
17th	do	do	do	26
7th	May,	do	do	31
8th	do	do	do	33
12th	do	do	do	24
16th	do	do	do	35

* Mr. Huntington's Motion.

They had left off with a majority of 35 at their command. The ordinary presumption would be that their supporters still adhered to them. Had anything occurred to invalidate this conclusion? The publication of the documents I have referred to? Judging from the process of thought in my own mind, which compelled me to suspend my verdict, I could not bring myself to believe that Parliament had jumped to any premature conclusion. But I had one other indication to assist me. Ninety-two Members of Parliament declared themselves opposed to the views of Ministers on prorogation. Where were the other one hundred and seven, and what were their opinions? Of the thirty-five or forty who were in their places, not one took steps to make me aware that they had ceased to support the Government. Their names were conspicuously absent from the Memorial. The sixty or sixty-five members who were away cannot complain if I have interpreted their absence as an indication that they endorsed the policy of Government, so far at least as prorogation was concerned. That the Memorialists were so many and no more was in itself significant, for it gave the measure of the effort made and the maximum result. They were not even a moiety of the House. They were a minority, and therefore not in a position to acquaint me with the wishes of the majority, or to speak in behalf of Parliament at all. So acutely was the force of this fact felt that within a very few days after prorogation, it was industriously circulated by all the Opposition newspapers, that in refusing to acquiesce in the suggestions of the signatories of this Memorial, I had flown in the face of a "*majority*" of the House of Commons. It is said that hypocrisy is the homage paid by vice to virtue. The pertinacity with which this mis-statement has been propagated, I cannot but regard as a homage to the strength of my position. But not content with this, some papers have even gone further and stated positively that other gentlemen, friends of the Government, waited upon me the same day and held language similar to the remonstrants—an assertion for which there is not the slightest foundation, for, on that day, up to three o'clock, with the exception of the Speaker, the remonstrant members themselves, and my Ministers I had neither spoken to or heard from a single Member of Parliament.

But it has been subsequently argued, that inasmuch as no division ever took place in a perfectly full house, ninety-two signatures implied a practical majority,—as though my appreciation of what should constitute a majority is to be regulated by my estimate of the cogency of the respective whips. If, however, we are to count noses with such particularity, let us see how the case stands. I admit that the numerical strength of a house is always in excess of its voting power. There will always be accidental vacancies. But the ranks of each side are equally liable to be thinned by casualties. What was the voting power represented by this memorial? It is true, on the word of the chairman, I took 93 as the number of persons on whose behalf he spoke, but the actual signatures at the time I had to decide on my course were only 92. Of these, three were affixed by proxy, reducing the momentary voting strength of the body represented to 89; for it is to be presumed that, unless detained from Ottawa, the remaining gentlemen would have signed with their own hands. Now, if we double 89 we get a house of 178, and no later than last Session, 183 names appeared on a division list,—so that the 89 remonstrants represented only a minority of the House even on this principle of reckoning. But during the whole of last Session, Government had a large majority, a condition of affairs which superinduces a laxity of attendance. Had the two parties been more evenly balanced, had victory depended on only a few votes, the muster of members would have been inevitably stronger, and the maximum division list of 183 undoubtedly exceeded.

But I am not prepared to admit that a Governor General would be justified in taking so serious a step as was then urged upon me, on the strength of a memorial signed even by a majority of Members of Parliament. Except so far as bringing a certain amount of pressure to bear upon him for a momentary purpose, a document of this nature is quite inconsequent. It would prove so much waste paper in the presence of a different mandate from the constituencies of many of these gentlemen, and when the time for voting arrived the Governor who relied upon it might very well find a considerable proportion of its

signataries on the wrong side of the division list, with a dozen plausible excuses for their having played him false. Indeed within a couple of hours after the deputation had left my presence, I was assured on trustworthy authority that some of these very persons had openly stated that in signing the memorial they by no means intended to signify that they withdrew their support from Government.

It is further to be remembered that, although I was in Ottawa at six in the morning, I heard nothing of this memorial until 1 o'clock, that three was the hour at which Parliament met, that the gentlemen bringing it must have known that its presentation and perusal must have occupied some time, and that I was bound to communicate it to my Ministers,—yet it was upon the strength of a document of this nature, presented in this fashion, when my speech from the Throne was in the hands of the printers, and the guard of honour under arms, that I was expected to take a step which under such circumstances must have inevitably led to a change of Government, and possibly a general election.

I have one further point to mention, and I have done. It is a favourite theory at this moment with many persons, that when once grave charges of this nature have been preferred against the Ministry they become *ipso facto* unfit to counsel the crown. The practical application of this principle would prove very inconvenient, and would leave not only the Governor General, but every Lieutenant-Governor in the Dominion, very thinly provided with responsible advisers, for as far as I have been able to seize the spirit of political controversy in Canada, there is scarcely an eminent man in the country on either side whose character or integrity has not been, at one time or another, the subject of reckless attack by his opponents in the press. Even your Lordship and Mr. Gladstone have not escaped, for it has been more than insinuated that the Imperial Government have been 'got at' by Sir *John Macdonald*, and that the law officers of Her Majesty were instructed to condemn the Oaths Bill contrary to their legal convictions.

In conclusion, I desire to call your Lordship's attention to the fact, that in this despatch I have made no allusion to the Royal Commission, which I have just issued under the advice of my Ministers

My desire is to keep the transactions relating to the prorogation of Parliament, and to the issue of the Commission, entirely distinct. These two events are quite disconnected and independent. The reasons which induced me to agree to the prorogation of Parliament had to be considered without reference to the effect of prorogation on the Committee, or, at least, they appeared sufficiently cogent to overpower any countervailing arguments founded on the necessity of keeping the Committee alive. However much I might have desired to do so, I could not have treated Parliament as a pregnant woman, and prolonged its existence for the sake of the lesser life attached to it. If I have satisfied your Lordship that prorogation under the circumstances was the proper course, the extinction of the Committee was an ill effect with which I had no concern. It is necessary to keep this consideration very clearly before our eyes, otherwise a confusion of ideas will ensue, prejudicial to a correct judgment of the case. The extinction of the Committee is being denounced as the worst feature in the transaction by persons who are ready to admit that prorogation was perhaps a necessity, and they insensibly transfer their dissatisfaction with the result to the circumstance which occasioned it. The same class of minds probably conjecture that the destruction of the Committee was the main inducement with my Government for insisting on prorogation, but with speculations of this kind I have nothing to do. I prorogued Parliament for what I considered not only full and sufficient, but imperative reasons. The subordinate consequences incident to the transaction do not, therefore, come under review.

There is one further point it may be well to remember. I see it is asserted that the Government purposely kept its sixty Members away. Of course I have no means of knowing how far this may have been the case. It is probable that having concluded that the session could not be prolonged, my Ministers may have notified their followers to that effect, but it is an indisputable fact, that the absence of a considerable proportion was unavoidable.

In another despatch I propose to address your Lordship on the subject of the Commission.

I have the honour to be, my Lord,
Your Lordship's most obedient servant,
(Signed,) DUFFERIN.

The Right Hon. the Earl of KIMBERLEY,
&c., &c., &c.

(*Enclosure No.* 1, *in No.* 19, *August* 15, 1873.)

MONTREAL, July 18th.

The following letter has been addressed by Sir *Francis Hincks* to the *Gazette*, and will appear in that paper to-morrow morning :—

"*To the Editor of the Gazette.*

"SIR,—Although reluctant to anticipate the formal enquiry into Mr. *Huntington's* "charges, I cannot allow the statement made in the *Herald* of yesterday by Mr. *Geo. W.* "*McMullen* to remain unnoticed. In all my proceedings regarding the construction of the "Pacific Railway, I have been governed by an opinion, early expressed and never modi- "fied, which was that if the construction of that work was undertaken by proper parties, "the Government and the country, instead of thinking that they had conferred a favour "on such parties, should feel deeply indebted to them. I shall at present confine my re- "marks on Mr. *McMullen's* letter to what affects myself here personally. I have a dis- "tinct recollection of Mr. *McMullen's* visit to Ottawa in July, 1871. He was accompanied "by Mr. *Smith*, of Chicago, Mr. *James Beaty, Jr.*, Barrister, of Toronto, Mr. *Wadding-* "*ton* and Mr. *Kersteman*. They were bearers of an informal proposal for undertaking "the work, and it is true that they had the names of several parties of the highest "respectability. Mr. *McMullen* admits that it speedily became apparent to myself and "associates that Mr. *Waddington* had been over sanguine in the idea that the formation "of any company would be entrusted to his hand. I do not pretend to recollect all that "passed in the brief conversation that took place, but the substance was that the Gov- "ernment was not in a position to negotiate on the subject. After the return of the party "to Toronto, I had some further correspondence on the subject, which I only refer to that "I may show how I came into communication with Sir *Hugh Allan*. I received a letter "on the 24th of July, acquainting me that the writer intended going, during the following "week, to Montreal, along with a gentleman who has been active in promoting railway "enterprises, with a view to bringing this scheme under the notice of Sir *Hugh Allan* and "other capitalists in Montreal. I at once sent the following reply :—

"*Confidential.*

"OTTAWA, July 20th, 1871.

"MY DEAR SIR,—I have received your letter of the 24th inst. I note that you had "yourself arrived at the conclusion that 'the whole matter was disorganized and required "complete reconstruction.' You mention your intention of proceeding with Mr. ——— "to Montreal to see certain parties. Mr. ——— is reported to be a shrewd business "man, and yet, from your account, he is about to see persons regarding a scheme, of the "advantages of which neither he nor you can have the slightest idea. At least I "certainly am very ignorant at this moment what aid in land and money the Govern- "ment will recommend Parliament to grant. How any one under such circumstances "can talk to men of business about being concerned in the scheme, I am at a loss to com- "prehend, and I am persuaded that, owing to Mr. *Kersteman's* most injudicious proceed- "ings, the greatest injury has been done to a great undertaking."

"I am,

"James Beaty, Jr., Esq." "F. HINCKS.

"I readily admit that from the time when the proposals made through Mr. *McMul-*
"*len* were first submitted, I was most anxious, but solely on public grounds, that the ne-
"gotiations should fall into other hands. After having prevented, as I believed I had
"done, the communication to Sir *Hugh Allan*, I determined to let him know what was
"going on. I accordingly gave him the names of the American gentlemen who had
"made the informal communication, but I certainly could not have requested Sir *Hugh*
"to communicate with them. I did not then even know that Sir *Hugh Allan* was pre-
"pared to embark in the scheme, but I readily admit that I was of opinion that several
"of the American names were wholly unobjectionable, and that Sir *Hugh Allan* was as
"likely as any other Canadian capitalist to secure co-operation both in England and
"Canada. Mr. *McMullen* refers to an interview, or interviews, with two prominent
"railway bankers at New York, and prior, I think, to my first communication to Sir
"*Hugh Allan*, in the month of August, 1871. During my brief visit to New York in
"August, 1871, which, I may observe, was wholly unconnected with Pacific Railway
"matters, I had interviews with the gentleman referred to, and I believe that I did sug-
"gest that the American capitalists, who were inclined to promote the undertaking,
"would find Sir *Hugh Allan* a better medium of communication with the Canadian
"Government than Mr. *McMullen* and his Chicago friends. I acted entirely in the in-
"terest of the Canadian people in suggesting to the gentlemen referred to that the par-
"ties who had brought the scheme before the Government had not the standing that it
"was desirable they should have. I was on my way to New Brunswick and Nova
"Scotia when the conversations in New York took place, and I certainly never gave any
"address to Sir *Hugh Allan*. On my return I gave him a list of names, and he re-
"marked that he knew all or most of them by reputation. The next reference to me in
"Mr. *McMullen's* letter is to the meeting of Council on the 5th of October, 1871, when
"Mr. *McMullen* says :— 'It was at once apparent that they were not fully in accord
"'among themselves.' How this was apparent it would be difficult for Mr. *McMullen*
"to show, inasmuch as to the best of my recollection no member of the Government said
"a word except Sir *John*. Sir *John* asked Sir *Hugh Allan* whether he had any proposi-
"tion to submit, to which Sir *Hugh* replied by enquiring whether, if he made a proposi-
"tion, the Government would be prepared to consider it, or enter into negotiations; to
"which Sir *John* replied that they were not prepared to do so, and Sir *Hugh* rejoined
"that in that case he did not think it advisable to make any suggestion. I have no re-
"collection whatever of holding any private conversation with Mr. *McMullen*, and I can-
"not believe it possible that I could have discussed with him the views of Sir *George*
"*Cartier*. It must be borne in mind, that all this time, and for many months after-
"wards, indeed till after the session of Parliament of 1872, the objects of the promoters
"of the Pacific scheme and of the Government were wholly at variance. Mr. *McMullen*
"and his followers, both before and after their association with Sir *Hugh Allan*, were
"trying in every possible way, and for this they cannot be blamed, to get the Govern-
"ment committed to entrust the building of the railroad to their Company, while the
"Government were anxious simply to get all possible information so as to enable them
"to submit a scheme to Parliament that would be acceptable to capitalists, without
"being too burdensome to the country. It is alleged that after Sir *Hugh Allan* re-
"turned from England, I said something about advertising for tenders, so as to avoid
"blame. I must, in the first place, declare that I never made any authorized communi-
"cation to Sir *Hugh Allan*, nor do I recollect that the subject of advertising for tenders
"was ever under the consideration of the Government. If Sir *Hugh Allan* was pressing
"for immediate action, nothing would be more natural than that I should point out to
"him that the Government could not enter into a contract without having previously
"submitted a scheme to Parliament. I may have talked of advertising for tenders as
"mode of ascertaining not only the terms of capitalists, but also whether there were any othe
"parties prepared to make offers. I cannot now recollect what passed at these conver-
"sations, but I am clear that I merely gave expression to my private opinion, and that I

"was pointing out the impossibility of any immediate action being taken. This was not "owing, as Mr. *McMullen* alleges, to the exigencies of the political situation, but simply "to the necessity of obtaining the concurrence of Parliament to whatever scheme the "Government might finally decide on. The only further reference to me in Mr. *Mc-* "*Mullen's* letter is to certain alleged money transactions. *I solemnly declare that I never* "*asked and never obtained, either by loan or gift, any sum of money from Sir Hugh Allan,* "*or from any person on his behalf, or from any other person in connection with the* "*Pacific Railway;* that I never was sounded by Sir *Hugh Allan* as to my personal ex- "pectations, and never, directly or indirectly, asked or obtained any money in connec- "tion with the scheme. Mr. *McMullen* asserts that I required not only a sum of money "for myself, but a situation for my son at a salary of not less than $2,000 per annum. "I never made any such demand, but I did, on one occasion, casually say to Sir *Hugh* "*Allan*, as I had done to other friends, that if he happened to know of any employment "for my youngest son I would be glad if he would bear him in mind. I had not the "least idea at the time of employment under a company not likely to be in existence for "an indefinite and certainly a long time. Sir *Hugh* replied, that no doubt when the "Pacific Company was formed, he would have no difficulty in finding him employment, "and there the matter terminated. This was long before the disputes which arose be- "tween the rival Companies, from which time I determined that no one connected with "me should have any employment in any such Company, and this determination I com- "municated to Mr. *Abbott*. Meantime my son got employment of a different kind, and "without any reference to Sir *Hugh Allan*. I may add, that at the time the conversa- "tion took place, my youngest son, who held an appointment in British Guiana, was on "leave of absence, and paying a visit to his family. I was anxious that he should re- "sign his appointment, and remain in Canada, and undertook to find him suitable em- "ployment. I mentioned him to several friends in Montreal, where I wished him to "settle, and I also mentioned him to Sir *Hugh Allan*. I never imagined that I would "incur the risk of being charged with bargaining for my support to the Pacific Railway "scheme. I desire to state, in conclusion. that *the Canadian Government was never in* "*any way a party to any arrangement between Sir Hugh Allan and his American associ-* "*ates*. From the very first there was the strongest opposition to the introduction of the "American element on the part of several members of the Cabinet, and for myself, "though not unfavourable to Americans being introduced, I always felt that Mr. "*McMullen* was a source of weakness. *I further state most positively, that the Govern-* "*ment never entered into any agreement to give the Pacific Railway Charter for monetary* "*considerations of any kind*. The various conditions and the charter were discussed on "their merits, and Sir *Hugh Allan* and his immediate friends were repeatedly obliged to "yield points which they desired to press. The Government honestly tried to obtain an "amalgamation between the two Canadian Companies to the exclusion of Americans, "and, failing that, they incorporated a Canadian Company, in which Sir *Hugh Allan's* "influence most certainly does not preponderate.

"I am, &c.,

"F. HINCKS."

(*Enclosure No. 2 in No. 197, Aug. 15th, 1873.*)

CHARTER FOR THE CONSTRUCTION OF THE PACIFIC RAILWAY, WITH PAPERS AND CORRESPONDENCE.

"MONTREAL, June 21st, 1872.

"SIR,—I have the honour to inform you that the Provisional Directors of the "Canadian Pacific Company held a meeting, after due notice, on Wednesday, the 19th

"of June instant, at which Sir *Hugh Allan* was appointed President, Mr. *Donald*
"*McInnes*, Vice-President, and myself Secretary of the Provisional Board.

"I have also the honour to state, by direction of the Board, that the Canada Pacific
"Railway Company is desirous of entering into an agreement with the Government
"under the statute respecting the Canadian Pacific Railway Company recently passed, and
"will feel honoured by any communication from the Government on the subject."

"I have, &c.,

"E. LEF. DE BELLEFEUILLE,

"Secretary.

"The Hon. J. C. Aikins,

"Secretary of State, &c., &c., &c., Ottawa."

"CANADA PACIFIC RAILWAY CO.,

"MONTREAL, 3rd July, 1872.

"SIR,—I am directed by the President and Provisional Directors of the Canada
"Pacific Railway Company, to inform you that at a meeting of the Provisional Board held
"yesterday, the second instant, in Montreal, under the Presidency of Sir *Hugh*
"*Allan*, I was instructed to write to the Government of the Dominion of Canada, to
"inform them that the Canada Pacific Railway Company is disposed and ready to
"undertake the building of the Canadian Pacific Railway, on the terms and conditions
"contained in the act respecting the Canadian Pacific Railway passed at the last Session
"of the Parliament of Canada."

"I have, &c.,

"E. LEF. DE BELLEFEUILLE,

"*Secretary.*

"The Honourable J. C. Aikins,

"Secretary of State, &c., &c., Ottawa."

"DEPARTMENT OF SECRETARY OF STATE,

"OTTAWA, 4th July, 1872.

"SIR.—His Excellency the Governor General in Council has had under consideration
"your letter of the 21st ult, reporting the Provisional organization of 'The Canada
"'Pacific Railway Company,' and expressing the desire of the Board of the Company to
"be informed when the Government will be prepared to negotiate with the Company in
"respect to the construction of the Canada Pacific Railway, and I am directed to inform
"you that it is the wish of the Government of Canada that your Company and 'The
"'Interoceanic Railway Company' should unite and form one Company, in accordance
"with the tenth section of the Act respecting the Canadian Pacific Railway.

"A simular communication has been made to the President of the latter Company,
"the Honble. *D. L. Macpherson*, Toronto.

"I have &c.,

"E. PARENT, U. S. S.

"E. LEF. DE BELLEFEUILLE, ESQ.,

"Secretary, Canada Pacific Railway Co.,

"Montreal."

"DEPARTMENT OF SECRETARY OF STATE,
"OTTAWA, 5th July, 1872.

"SIR,—I am directed to acknowledge the receipt of your letter of the 3rd instant, "stating that the Canada Pacific Railway Company is disposed and ready to undertake "the building of the Canadian Pacific Railway, on the terms and conditions contained "in the Act respecting the Canadian Pacific Railway passed at the last Session of the "Parliament of Canada.

"I have, &c.,

"E. LEF. DE BELLEFEUILLE, "E. PARENT, U. S. S.
"Secretary, Canada Pacific Railway Co.,
"Montreal."

"OFFICE OF THE CANADA PACIFIC RAILROAD,
"MONTREAL, 9th July, 1872.

"SIR,—With reference to the last communication addressed to you by the Secretary "of this Company, advising that the Company was now prepared to accept of the contract "for the building of the Pacific Railroad on the terms and conditions authorized in the Act "of Parliament, I have now the honour to state, that if the building of the Pacific Rail- "road is given to this Company, it will agree, with such assistance as may be obtained from "the Governments of Ottawa and Quebec, or such other assistance as may be given us, to "build a branch Railroad from some point on the main-line of the Pacific Railroad, "near and North of Lake Nipissing, to Hull opposite Ottawa, there to connect with the "Northern Colonization Railroad. This route will cross the Ottawa at Deep River or "some other point as far up on the North Shore of the Ottawa, in the Province of Quebec, "as the nature of the country will admit.

"This Company will also agree, with such assistance as we may obtain from the "Government of Ontario, or other assistance that may be given to us, to build another "branch Railroad from the Nipissing terminus of the Pacific Railway to such a point in "the Province of Ontario as will connect the Pacific Railroad with the railway system "leading to Toronto and other parts of Ontario.

"I have, &c.,

"Honourable J. C. Aikins, "HUGH ALLAN,
"Secretary of State, Ottawa." "President, Canada Pacific Railroad.

"DEPARTMENT OF SECRETARY OF STATE,
"OTTAWA, 17th July, 1872.

"SIR,—I am directed to acknowledge the receipt of your letter of the 9th instant, "referring to the communications of the Secretary of the Canada Pacific Railway Company "of the 3rd same month, advising that the Company was then prepared to accept the "contract for building the Pacific Railway, and entering into further details on the terms "and conditions on which the Company was ready to take the contract for the con- "struction of said railway.

"I have, &c.,

"Sir Hugh Allan, "E. PARENT, U. S. S.
"President, Canada Pacific Railway,
"Montreal."

"OTTAWA, 2nd October, 1872.

"SIR,—I have the honour to state, in answer to your letter, suggesting that the Canada "Pacific Railway Company and the Interoceanic Railway Company should amalgamate, "that the former Company is willing to make such an amalgamation; and that I "communicated such willingness to the Interoceanic Railway Company through its Pro- "visional President, the Hon. Mr. *McPherson*, shortly after receiving your last letter. I "have further to state, that I have not been informed of any action by the Interoceanic "Company on the subject, having only received an acknowledgment of the reception of "my letter.

"I have, &c.,

"HUGH ALLAN, President,
"Provisional Board, Canada Pacific R. R.

"The Hon. the Secretary of State, &c., &c.,
"Ottawa."

"DEPARTMENT OF SECRETARY OF STATE,
"OTTAWA, 3rd October, 1872.

"SIR,—I am directed to acknowledge the receipt of your letter of the 2nd inst., in "answer to mine of the 4th July last, suggesting that the Canada Pacific Railway Com- "pany and the Interoceanic Railway Company should amalgamate.

I have, &c.,

"E. PARENT, U. S. S.

"Sir Hugh Allan,
"Montreal."

"MONTREAL, 14th October, 1872.

"SIR,—I have the honour to transmit you a memorandum from the Executive Com- "mittee of the Canada Pacific Railway Company, in reply to the statement submitted to "the Government by the Interoceanic Railway Company, and I beg the favour of your "laying the same before the Council.

"I have, &c.,

"HUGH ALLAN,
"President, Provisional Directors.

"Hon. J. C. Aikins,
"Secretary of State, Ottawa."

"*Memorandum of the Canada Pacific Railway Company upon the Statement submitted by "the Interoceanic Railway Company to the Government of Canada.*

"The undersigned, the Executive Committee of the Canada Pacific Railway Company, "have to express their obligations to the Honourable the Privy Council for the courtesy of "a communication of the statement of the Interoceanic Railway Company,* purporting to "set forth the reasons which have induced the latter Company to decline the proposal of "amalgamation made by the Canada Pacific Company. And they avail themselves of the "opportunity thus afforded them, to make some remarks upon the contents of that "statement, though they do not feel that any good result would be attained by answering "it fully and in detail.

"They regard with regret the decision of the Interoceanic Company, but as they "conceive that it has been brought about chiefly by errors upon matters of fact, they are "not without hope that it may be reconsidered.

*See page 59.

"In making the proposal of amalgamation, the Canada Company felt that so vast an "enterprise required all the strength that could be enlisted in it. They believed that the "Government aid, with all the advantages which the Government are empowered to grant, "would not be in excess of the requirements of the undertaking, and that there was no "room for attempting to diminish such aid or advantages by competition. They considered "that the Government had adopted a wise policy in endeavouring to create by consoli-"dation the strongest company possible, rather than to attempt to effect some insignificant "saving by placing the two companies in competition with each other; and they felt that "the only public-spirited and patriotic course was to meet the desire of the Government "frankly; and to consent to amalgamation without undue solicitude as to the terms of it. "They believed that the gentlemen who represented the Interoceanic Company would be "prepared, as they themselves were, to lay aside any feeling of rivalry that may have "existed, and to act vigourously in concert with them for the benefit of the undertaking. "But at the same time they were, and are, fully prepared to undertake and carry out the "enterprise alone; as they have already ascertained, by negotiation with English capitalists, "that the plans they have formed for the requisite financial arrangements can, in all "probability, be carried out.

"With respect to the propositions which the Interoceanic Company seek to establish by "the first portion of their statement, namely, that the organization should be pre-eminently "national in its character; and that its means must be drawn first from Canadian and "second and chiefly from British sources; the undersigned have simply to say that any "argument for the purpose of sustaining such proposition was quite superfluous, although "possibly European capital may require to be sought for, outside of Great Britain—no one "will dispute the advantages of committing the construction and running of the Pacific Rail-"road to a Company of Canadian origin and composed of British subjects; nor the disastrous "results that might be expected from placing the enterprise under the control of the American "Northern Pacific Railway Company. The Canada Company have always entertained the "opinions enunciated in their statement on this subject: and as proof of that fact, it will "appear, on reference to the draft charter submitted by that Company to the House of "Commons, that they proposed to make their Board of Directors exclusively British; "while on the other hand, the Interoceanic Company proposed by their draft charter "to create a Board which of necessity needed only to be British as to the majority of it. "And it was only in consequence of the desire of the Government and Parliament that "the two charters should be identical, and of the objection of the Interoceanic Company "to make their Board of necessity exclusively British, that the Canada Company took "from the Interoceanic Company's charter the clause requiring only a majority to be "British instead of the whole. And, moreover, the Canada Company have been actively "engaged since their incorporation in negotiations with British capitalists, exclusively "tending to the acquisition of means for the construction of the railway with every "prospect of favourable result, should they be authorized to undertake it.

"In the face of these facts, it would seem that the somewhat elaborate argument "of the Interoceanic Company, to prove the expediency of making the Company entirely "Canadian and British was not only unnecessary and inapplicable, but possibly might "be said to be out of place as coming from that Company.

"The Interoceanic Company having however submitted various arguments in "support of these propositions, proceed to apply them to the disadvantage of the Canada "Company.

"They assert that it is a matter of notoriety that one of the leading members of the "Canada Company and its Provisional President has been engaged in negotiation with "gentlemen connected with the Northern Pacific Railway, for the organization of a "Company for the construction of the road; and they say that the impression still exists "everywhere that his original scheme is unchanged, and that his Company, as they term "the Canada Company, is intended to co-operate with parties in the United States

"interested in the Northern Pacific Railway. And they declare that the Interoceanic "Company share this belief.

"That, in reality, is the chief ground stated by the Interoceanic Company for "declining amalgamation; and as it is easy to show that this ground is entirely "unsupported by facts, the Canada Company hope, that this erroneous impression being "removed, the course of the Oceanic Company may be materially changed.

"With regard to the assertion that a belief 'exists everywhere' that the Canadian "Company still intend to carry out the design of combination with American capitalists, "it is only necessary to say that the gentlemen who say so no doubt speak truly as to "some limited circle with which they are in immediate communication. But the Canada "Company emphatically deny that beyond such a limited circle any such belief or even "any idea of such a state of things is entertained.

"The Canada Company are aware that a negotiation was commenced during "the summer of eighteen hundred and seventy-one, between Sir *Hugh Allan* and "certain American capitalists for the formation of a Company to construct and run the "Canada Pacific Railway; but they are informed by Sir *Hugh Allan*, and have satisfied "themselves by a full enquiry into the circumstances and details of that negotiation, "that it was not initiated by Sir *Hugh*, and that it was commenced and supported by "influential persons in Canada, as being the only combination that offered itself at that "time for the construction and running of the road; but they are satisfied that that "negotiation never possessed the character attributed to it by the Interoceanic Company, "and they know that Sir *Hugh Allan* would never have consented to embark with "foreign capitalists in a Canadian enterprise in which he takes so great an interest "without the most perfect securities and guarantees for its control and conduct in the "interest of Canada. But the discussion of the negotiation is entirely foreign to the "proposition now being considered. That negotiation terminated when Sir *Hugh Allan* "engaged with others in the formation of the Canada Company, and it has never been "renewed.

"The Canada Company never participated in that negotiation, and never considered "or entertained any proposition, suggestion or intention of asking aid from American "capitalists, or of combining with them for the prosecution of the Railway, or for any "other purpose. The only negotiations they have carried on are those already alluded "to with British capitalists, and they have never even communicated on the subject of "the Railway, with any one outside of Canada or Great Britain.

"The Canada Company would further remark on this branch of the subject, that "they are unwilling to attempt to gather from the terms of the statement of the "Interoceanic Company any meaning which does not plainly appear upon its face. But "they cannot omit noticing that the weight of this objection rests upon the suggestion, "rather implied than expressed, that the Canada Company is prepared to lend itself to "the obstruction of the Canada Pacific Railway, by placing the control of it in the hands "of capitalists interested in a rival road. Unless the objection is taken as having this "bearing, it would have no weight, and the Canada Company are therefore forced to "make a single remark upon this view of it. They desire expressly to state that their "Company is composed of gentlemen as fully alive to the interests of Canada, and as "deeply interested in its welfare, as the members of the Interoceanic Company, or any one "else can be. And they protest formally and energetically against any imputation, "whether expressed or implied, contemplating the possibility of their taking the course "which they cannot but interpret as being imputed to them by the statement of the "Interoceanic Company. Although probably the Interoceanic Company will accept the "positive and unqualified disclaimer which the Canada Company now place on record, "it may not be amiss to remark upon the impossibility of any such course being taken as "that which is implied in the Interoceanic Company's objection.

"It will be observed that the aid in money and lands is only to be granted by the "Government as the work actually progresses. It is also necessary that the periods for

"the completion of the various sections of the road should be fixed by the agreement "with the Company entrusted with the enterprise. It is also necessary that the "Government should fix a period within which the work should be commenced and "proceeded with. And it is reasonably to be supposed that there would be a provision "in any agreement made with the Government that upon failure in any of these conditions "the Company should forfeit its rights to the Government aid. Again, in the proposition "of amalgamation which the Canada Company made to the Interoceanic Company it was "suggested that the former Company should name a small proportion of the Provisional "Directors, the Interoceanic Company naming a similar number, the intention being "that the remainder of the Board, constituting a majority of it, should be agreed upon "between the two companies and the Government.

"Under these circumstances, the undersigned would observe that the carrying out of "any such plan as that implied by or imputed to the Canada Company is simply "impossible. Supposing for argument's sake, that they entertained the intention of "placing the control of the enterprise in the hands of the Northern Pacific Railway "Company, the persons named by them on the Board would constitute but a "small minority of it. And without the concurrence of the Interoceanic Company's "nominees and those approved of by the Government, it would be utterly impossible not "only to alienate the aid given by the Government, but even to obstruct in any material "degree the operations of the majority of the Board. And if, which is impossible, the "small minority could control the majority so far as either to purport to alienate the "aid or obstruct the work, the remedy would be in the hands of the Government, as no "portion of the proposed assistance could actually be alienated from the purposes for "which it was intended, and the attempt would only result in the forfeiture of the "agreement.

"With regard to the assertion of the Interoceanic Company that they 'very "'generally and equally represent all the Provinces of the Dominion, and the "comparison of importance they draw between the Interoceanic Company's organization "and that of the Canada Company, the undersigned would prefer not to discuss it at "any length. At the same time, in justice to themselves, they would remark "that they have not a word to say against the respectability of the three "gentlemen from the Province of Quebec, whose names appear upon the minute "of the meeting of the twenty-sixth day of September; but they would ask in "what sense or from what point of view can these three gentlemen be said to "represent that great and flourishing Province? And as to the other gentlemen "from the Province of Quebec, whose names appear in the Bill of the Interoceanic "Company, but who did not take part in that meeting, the well-known circumstances "of their reception into that Company prevent the expectation that they will exercise "any influence in its favour. A list of the Provisional Directors of the Canada Company "is submitted herewith to the Government, and the Company challenge a comparison of "them with the Provisional Directors of the Interoceanic Company. And they do not "hesitate to assert that the public of Canada will feel at least as much confidence in the "Board constituted of those gentlemen as in the Board of the Interoceanic Company.

"They regret the necessity for saying even so much as this on the subject, as they "earnestly deprecate any approach to recrimination or anything that could by any possi-"bility arouse any feeling on the part of the members of the Interoceanic Company; for "it is their desire in answering their statement, rather to endeavour to remove any "wrong impression which that Company may have entertained than to enter into contro-"versy with them, and they have studiously avoided remarking upon many matters "contained in the statement of the Interoceanic Company, though they have been in "many instances strongly tempted to do so, in order that by avoiding all recrimination "and controversal comment upon the line of argument contained in the statement they "might manifest their earnest desire to carry out the wish of the Government for "amalgamation; not only because such is the desire of the Government, but also because

"they feel that it is in the interest of the enterprise that all possible strength should be "concentrated upon it.

"The undersigned are desirous of making one remark more as to the observations of "the Interoceanic Company's statement with regard to politics. The Canada Company "have not in any manner or way interfered in politics, and they are at a loss to know to "what circumstances the Interoceanic Company can refer in their remark on this subject.

"The Canada Company is composed of persons holding different views in political "matters, and those persons have acted in accordance with those views when called upon "in any way to act politically since they joined the Company as they did before, and as "they probably will continue to do; and the Canada Company have not in any way resorted "to sectional or any other pressure to induce the Government to negotiate with them "for the construction of the Railway. On this point also it will be perceived that the "Canada Company confined themselves to vindicating their own position, without assail-"ing or attempting to assail the position or acts of the Interoceanic Company.

"In conclusion, the undersigned respectfully state, that the members of the Canada "Company claim for themselves in every respect a strong sentiment of patriotism and as "much public spirit as any of their fellow subjects, and they consider that their names "and antecedents are a sufficient guarantee that their claim is well founded. They are as "sensible of the disadvantages of any obstruction to the gigantic undertaking in which "the Government of Canada is about to embark, as any other person or Company can be. "They believe themselves to be as competent as the Interoceanic Company or any other "Company or body of men to carry out the undertaking, and they are prepared to "assume the responsibility with a complete recognition of the weight of that responsi-"bility, but with assured conviction that they are justified in assuming it. They desire "an amalgamation with the Interoceanic Company. They are willing to make it upon "terms that may be agreed upon as being perfectly just to both Companies, and satis-"factory to the people of Canada. And in the event of such amalgamation, they are "prepared to act cordially with the gentlemen who may be associated in the Board of "Direction with such members of the Canada Company as may be chosen to form part of "it; but if the Interoceanic Company are not prepared to meet them in a similar spirit, "they respectfully ask that their proposition to undertake the building and running of "the Pacific Railway may meet with the favourable consideration of Government. The "whole respectfully submitted.

(Signed) "Hugh Allan.
"J. J. C. Abbott.
"Louis Beaubien.

"Montreal, 12th October, 1872."

"Department of the Secretary of State,
"Ottawa, 5th October, 1872.

"Sir,—I am directed to enclose to you a copy of a communication received from the "President of the Interoceanic Railway Company of Canada, on the subject of the "amalgamation of that Company with the Canada Pacific Railway Company, which had "been suggested by the Canadian Government.

"I have the honour to be, Sir,
"Your obedient servant,
"E. Parent,
"Under Secretary.

'Sir Hugh Allan, Montreal."

"MONTREAL, 15th October, 1872.

"SIR,—I have the honour to enclose a list of the Provisional Directors of the Canada "Pacific Railway Company referred to in my letter of yesterday's date.

"I have the honor to be, Sir,
"Your obedient servant,
"HUGH ALLAN.

"The Honourable the Secretary of State,
"Ottawa."

CANADA PACIFIC RAILWAY COMPANY.

"Provisional Board of Directors, Montreal, 15th October, 1872.

"Sir Hugh Allan, Montreal.
"Hon. J. J. C. Abbot, M.P., Montreal.
"Hon. A. B. Foster, Senator, Waterloo.
"Hon. John Hamilton, Senator, Hawkesbury Mills, Ontario.
"Hon. Ch. J. Coursol, Montreal.
"Hon. Jean L. Beaudry, Leg. Councillor, Montreal.
"Hon. Gédéon Ouimet, Att. General, Q., Montreal.
"Hon. David Christie, Senator, Paris, Ontario.
"Hon. James Skead, Senator, Ottawa.
"Hon. John J. Ross, M.P. and Leg. Councillor, Q., Ste Anne de la Pérade.
"Hon. Donald A. Smith, M.P., Fort Garry, Manitoba.
"Hon. Thomas McGreevy, M.P., Legislative Councillor, Quebec.
"Sir Edward Kenny, Halifax, N. S.
"Hon. Louis Archambault, M.P., & Minister of Agriculture, Q. L'Assomption.
"Andrew Allan Esq., Montreal.
"Louis Beaubein, Esq., M.P., Hochelaga.
"Victor Hudon, Esq., Montreal.
"Charles S. Rodier, jr., Esq., Montreal.
"Donald McInnes, Esq., Hamilton, Ontario.
"Charles F. Gildersleeve, Esq., Kingston.
"William Kersteman, Esq., Toronto.
"Jos. M. Currier, Esq., M.P., Ottawa.
"Jean Bte. Renaud, Esq., Quebec.
"Eugène Chinic, Esq., Quebec.
"Hon. Billa Flint, Senator, Belleville, Ontario.
"William M'Dougall, Esq., M.P., Three Rivers, Q.
"Henry Nathan, Esq., M.P., Victoria, B. C.
"E. R. Burpee, Esq., St. John's, N. B."

"Copy of a Report of a Committee of the Honourable the Privy Council, approved by "His Excellency the Governor General in Council on the 16th October, 1872.

"The Committee of the Privy Council have had under their consideration a letter "addressed to the Secretary of State by the Honourable *D. L. Macpherson*, enclosing copy "of a report from the Executive Committee of the Provisional Directors of the contemplated Interoceanic Railway Company, which has been unanimously adopted by the "Directors. The Committee of the Privy Council have learned with regret that the "suggestion of the Government, that there should be an amalgamation between the two "companies, which obtained during the last session of Parliament Acts of incorporation "for the construction of a railroad between a terminus on the Pacific Ocean and one on "the vicinity of Lake Nipissing with which all the Canadian Railroads could connect on "equal terms, has not been acted on by the contemplated Interoceanic Company for "reasons which are given in the report of their Executive Committee. The Committee "of the Privy Council admit the importance of securing as much unanimity as possible "among the Canadian capitalists who are disposed to assume the responsibility of con-

"structing the great work which by the terms of the union of British Columbia with the "Dominion became the duty of Parliament to undertake.

"In the opinion of the Committee of the Privy Council there is no ground for rivalry "between the Province of Ontario and Quebec, especially as the eastern terminus has "been fixed by Parliament at a point convenient for both Provinces.

"The Committee of the Privy Council has not failed to give their attentive conside- "ration to the reasons adduced by the Committee of the Interoceanic Company for "opposing the amalgamation with the Pacific Company, while the latter Company, in de- "ference to the wishes of the Government, has expressed its readiness to agree to.

"The Committee of the Privy Council concur in the opinion expressed in the report, "that the success of the Pacific Railway project must mainly depend upon its complete "identification with the public sentiment of the country, and that the lands appropriated "for the construction of the work should be so dealt with as to enlist the whole energies "of the country in their early settlement; and they therefore admit that the organization "should be essentially and pre-eminently national in its character, and that success in the "British money market is more likely to be attained if the Canadian people themselves "become interested in the undertaking.

"It is unnecessary for the Committee of the Privy Council to discuss the question "raised in the report as to the inexpediency of looking to aid from the United States for "the construction of the Pacific Railway, as they do not contemplate seeking such aid, "but on the contrary most earnestly desire to accomplish the very object recommended "in the report under their consideration, viz.: the united action of the Canadian people "in the work. It is assumed in the report that the Canadian Pacific Company would be "under the control of citizens of the United States connected with the Northern Pacific "Company. It is said to be a matter of public notoriety that the original proposal of "Sir *Hugh Allan*, relative to the Canada Pacific Railway, was made in association with "the American gentlemen most prominently connected with the Northern Pacific "Railway.

"The foregoing statement is the avowed ground of the refusal of the Interoceanic "Company to amalgamate with the Canada Pacific Company. The Committee of the "Privy Council avail themselves of this opportunity to place on record all that is come to "their knowledge regarding the negotiations on the subject of the Pacific Railway; when "it became known that the Canadian Government was about to invite the consideration "of Parliament to the subject of the admission of British Columbia into the Dominion "on conditions, one of which was that Canada would undertake to procure the construc- "tion of a Pacific Railway, an enterprising gentleman, an inhabitant of British Columbia, "the late Mr. *Alfred Waddington*, who had already made extensive surveys at his own "expense, petitioned Parliament for a charter to construct that line, intending, it is "believed, to obtain aid in England and United States.

"Mr. *Waddington* had a bill introduced and printed, but did not proceed with it "during the Session of 1871; after the close of the Session, Mr *Waddington*, in conjunc- "tion with one or more gentlemen in Toronto, visited the United States, having, as he "always stated, failing in securing any co-operation in Canada, with the view of interest- "ing foreign capitalists in the undertaking. He took with him his own printed bill, and "the resolutions which had been adopted by Parliament for the admission of British "Columbia into the Dominion, on condition that the Pacific Railway should be con- "structed, and he succeeded in interesting in his project a number of influential "capitalists, some connected with the Northern Pacific Railway, others entirely uncon- "nected with it.

"On his return to Canada, Mr *Waddington* employed a respectable legal firm in "Toronto, as solicitors to the promoters of the railway, and visited Ottawa, armed with "a document, signed by a number of gentlemen of known wealth, in which they stated "the terms on which they would undertake to construct the railway. The deputation "had interviews with some members of the Government, who received them courteously,

"and listened to their proposals, but informed them that the Government was not then "in a position to enter into negotiations. Meantime, the members of the Government, "aware of the necessity that existed of proposing a definite scheme during the next "Session of Parliament, availed themselves of every opportunity of endeavouring to ascer- "tain the terms on which Canadian capitalists would be willing to undertake the work.

"The scheme, however, was, so far as they could learn, coldly received, and for "several months no proposition was received by the Government for the construction of "the road, except that already referred to, which was obtained through Mr. *Waddington* "and some friends of his in Toronto. At this stage, a member of the Government, dur- "ing a casual visit to Montreal, happened to meet Sir *Hugh Allan*, when he informed him of "the proposition which had been made, and mentioned to him the names of the Americans "who had made the proposition to the Government. He expressed to Sir *Hugh Allan* "his regret that such a work should be allowed to fall into the hands of foreigners, owing "to the apathy of Canadian capitalists. It was after, and in consequence of this conver- "sation, that Sir *Hugh Allan* put himself in communication with the American gentle- "men already referred to, and it is not a little remarkable that the suggestion made to Sir "*Hugh Allan* arose from a desire to carry out the object which the Committee of the "Interoceanic Company appear to have in view. That object was to secure the construc- "tion of the work under Canadian management, no doubt being entertained that there "would be no difficulty in finding safeguards against the dangers anticipated by the "Interoceanic Company; such were the circumstances under which Sir *Hugh Allan's* "connection with the American capitalists took place. Sir *Hugh Allan* was the first "Canadian capitalist who made a proposition for the construction of the line, and to him "the Government is indebted for the information which enabled them to decide with "confidence as to the scheme to be submitted to Parliament. The Committee of the "Privy Council think it unadvisable to enter into any discussion of the respective merits "or influence of the rival Companies, especially because they remain of opinion that it "would be highly inexpedient to select either Company to the exclusion of the other.

"Should they fail in obtaining the concurrence of both Companies to their proposition "for an amalgamation on just and equitable principles, they will be compelled, from a "sense of duty to adopt other means to secure their object, which is a cordial co-operation "of the Canadian people of all classes, and from all sections of the Dominion, in the "construction of the Pacific Railroad.

"The Committee of the Privy Council have, in conclusion, to state that they have "received the most positive assurances that it is not contemplated by the promoters of the "Canada Pacific Company to associate themselves with foreigners, and also that the "Company is prepared to accept any proposition made by the Government for the "purpose of preventing the enterprise falling into the hands of an alien proprietary. "They cannot, under the circumstances, recommend that the individual who was the "first Canadian capitalist who entered into negotiations with the Government for the "construction of the Pacific Railroad should, with all his associates, be excluded from the "management of a work which, as is admitted in the Report under consideration, "requires, in order to ensure success, the cordial co-operation of the Canadian people. "The Committee of the Privy Council are not without hope that on a reconsideration of "the subject, the Interoceanic Company may come to the conclusion that the course "which would be most for the advantage of the country, that they should follow, would "be to act on the suggestion of the Government, and to consent to an amalgamation with "the Pacific Company; and they therefore recommend that a copy of this minute be sent "to both Companies, and that they be urged to make an early and earnest attempt to "reconcile their differences, and to form an united Company for the construction of the "Pacific Railroad.

"Certified.

"W. H. HIMSWORTH,

"Clerk, Privy Council.

"DEPARTMENT OF THE SECRETARY OF STATE,
"OTTAWA, October 22nd, 1872.

"SIR,—I am directed to forward you the enclosed Copy of an Order in Council on "the subject of the correspondence between the Government of Canada and the Executive "Committee of the Provisional Directors of the contemplated Interoceanic Railway "Company, relative to the Canadian Pacific Railroad.

"I have the honour to be, Sir,
"Your obedient servant,
"E. PARENT,
"Under Secretary.

"Hon. D. L. Macpherson,
"President, Interoceanic Railway Co., Toronto.
"Sir Hugh Allan,
"President, Canada Pacific Railroad Co., Montreal."

"MONTREAL, October 25th, 1872.

"SIR,—I have the honour, on behalf of the Canada Pacific Railway Company, to "acknowledge receipt of a Copy of a Report of the Committee of the Honourable the "Privy Council, approved by His Excellency on the 16th instant, and I here request "that you will be good enough to lay before the Honourable the Privy Council the "following remarks upon that minute :—

"In deference to the desire of the Government which they consider is in accordance "with the best policy under the circumstances, the Canada Pacific Company are prepared "to amalgamate with the Interoceanic Company upon reasonable terms to be approved by "the Government.

"With regard to the statement in the minute that there would be no difficulty in "finding safeguards against the danger anticipated by the Interoceanic, I would further "say, that the Canada Company is prepared to consent to any safeguard that can be "devised against the possibility of the money or land subsidy being diverted from its "purpose.

"I would desire, further, respectfully to remark that the Canada Company is "prepared to make such addition to its members from the Province of Ontario as may be "considered necessary to constitute a complete representation of that Province in the "proprietary and on the Board of the Company. And, in the event of the Interoceanic "Company declining to accede to the suggestion of the Government, that the Canada "Company will be prepared to submit additional names from Ontario, in order that that "Province may be represented in the Company to the satisfaction of the Government.

"I have the honour to be, Sir,
"Your obedient servant,
"HUGH ALLAN,
"President, Provisional Board, Can. Pac. R. R.

"The Hon. J. C. Aikins,
"Secretary of State, Ottawa."

"DEPARTMENT OF THE SECRETARY OF STATE,
"OTTAWA, December 4th, 1872.

"SIR,—I am directed to transmit to you, for the information of the Canada Pacific "Railroad Company, the enclosed memorandum of the Executive Council of the Inter-

"oceanic Railway Company of Canada, upon the memorandum submitted to the Govern-
"ment by the Executive Committee of the Canada Pacific Railway Company.

"I have the honour to be, Sir,

"Your obedient servant,

"E. PARENT,

"Under Secretary.

"E. L. De Bellefeuille, Esq.,
"Secretary, Canada Pacific Railway Co., Montreal."

"CANADIAN PACIFIC RAILWAY.

"COPY of a Report of a Committee of the Honourable the Privy Council, approved by
"His Excellency the Governor General in Council on the 31st January, 1873.

"The Committee of the Privy Council have had under consideration the corres-
"pondence and Reports of Committees of the Provisional Directors of the Canada
"Interoceanic Railway Company, and of the Canada Pacific Railway Company, and
"whilst much regretting that these Companies have not been willing to unite and form
"one Company for the purpose of constructing the Pacific Railway, the Committee of
"the Privy Council are unable to advise your Excellency to agree with either of the said
"Companies separately, for the construction and working of the whole line of railway
"described in the Canadian Pacific Railway Act of last Session, 35 Vic., cap. 71; and
"they are of opinion, and submit it to your Excellency, that it will be more advantageous
"for the Dominion, and will better insure the attainment of the purposes of the Act
"above referred to, that a Company should be incorporated under the powers conferred
"by the Fifteenth Section of the above Act, by Charter for that purpose.

"AND WHEREAS, Sir *Hugh Allan*, of the City of Montreal, Knight; the Honourable
"*Adams George Archibald*, of the City of Halifax, C. M. G., a Member of the Queen's
"Privy Council for Canada; the Honourable *Joseph Octave Beaubien*, of Montmagny,
"Commissioner of Crown Lands in the Province of Quebec; *Jean Baptiste Beaudry*, of
"the City of Montreal, Esq.; *Egerton Ryerson Burpee*, of the City of St. John, Esq.;
"*Frederick William Cumberland*, of the City of Toronto, Esq.; *Sandford Fleming*, of the
"City of Ottawa, Esq.; *Robert Newton Hall*, of the Town of Sherbrooke, Esq.; the
"Honourable *John Sebastian Helmcken*, of the City of Victoria; *Andrew McDermot*, of the
"Town of Winnipeg, Esq.; *Donald McInnes*, of the City of Hamilton, Esq.; *Walter*
"*Shanly*, at present of the Town of North Adams, in the United States of America, Esq.;
"and *John Walker*, of the City of London, in the Province of Ontario, Esq., have stated
"their ability and willingness to form such Company, and that they have a subscribed
"capital of Ten Million Dollars, and that they are ready to enter into an agreement for the
"construction and working of the said line of railway; the Committee recommend that
"negotiations be entered into with the said persons for the purpose of settling the terms
"of an agreement under the Act, between the Government and such persons, and that the
"Minister of Justice be instructed to conduct the same.

"Certified,

"W. A. HIMSWORTH,

"Clerk, Privy Council."

"DEPARTMENT OF JUSTICE,

"OTTAWA, 31st January, 1873.

"The undersigned to whom was instructed the conduct of the negotiations with Sir
"*Hugh Allan* and his associates for the construction of the Canadian Pacific Railway, by
"the Order in Council of this date, begs leave to report:

"That he has settled an Agreement, and a draft Charter under such agreement, with "Sir *Hugh Allan* and his associates, which he begs leave to submit for the consideration of "Your Excellency in Council.

"JOHN A. MACDONALD."

"COPY of a Report of a Committee of the Honourable the Privy Council, approved by "His Excellency the Governor General in Council, on the 31st January, 1873.

"The Committee of the Privy Council have had under consideration the report of the "Hon. the Minister of Justice, and the accompanying draft agreement prepared pursuant "to the Order in Council of this date, and they recommend that the said draft be accepted, "and an agreement according to its terms be entered into with Sir *Hugh Allan*; the "Honourable *Adams George Archibald*; the Honourable *Joseph Octave Beaubien*; *Jean* "*Baptiste Beaudry*, Esq.; *Egerton Ryerson Burpee*, Esq.; *Frederic William Cumberland*, "Esq.; *Sandford Fleming*, Esq.; *Robert Newton Hall*, Esq.; the Honourable *John* "*Sebastian Helmcken*; *Andrew McDermot*, Esq.; *Donald McInnes*, Esq.; *Walter* "*Shanly*, Esq.; and *John Walker*, Esq.; for the construction and working of the whole "line of the Canadian Pacific Railway, under the Statute 35 Victoria, Cap. 71.

"The Committee have also had before them a Stock List, showing that the said per- "sons have a subscribed Capital of Ten Million Dollars, and they are of opinion, that "under and by the terms of the said agreement, such capital is satisfactorily secured.

"They therefore advise that on the execution of such agreement by the said parties, "a Charter may properly be granted to them under the Great Seal, pursuant to the 15th "clause of the said Act.

"Certified,

"W. A. HIMSWORTH,

"Clerk, Privy Council."

"DEPARTMENT OF JUSTICE,

"OTTAWA, 31st January, 1873.

"The undersigned has the honour to report, that the agreement between the "Government and Sir *Hugh Allan* and his associates for the construction of the Canadian "Pacific Railway, which was accepted by the Order in Council of this day's date, has been "duly executed by them. He therefore recommends that a Charter under the Great Seal be "granted to such persons, pursuant to the 15th clause of the statute 35 Victoria, cap. 71.

"JOHN A. MACDONALD."

"COPY of a Report of a Committee of the Honourable the Privy Council, dated 31st "January, 1873, and approved by His Excellency the Governor General in Council "on the 5th February, following.

"The Committee of the Privy Council have had before them the Report of the "Honourable Minister of Justice of this date, stating that the agreement mentioned in the "Order in Council of this day's date, for the construction of the Canadian Pacific Railway, "by Sir *Hugh Allan*; the Honourable *Adams George Archibald*; the Honourable *Joseph* "*Octave Beaubien*; *Jean Baptiste Beaudry*, Esquire; *Egerton Ryerson Burpee*, Esquire; "*Frederic William Cumberland*, Esquire; *Sandford Fleming*, Esquire; *Robert Newton* "*Hall*, Esquire; the Honourable *John Sebastian Helmcken*; *Andrew McDermot*, Esquire; *Donald McInnes*, Esquire; *Walter Shanly*, Esquire; and *John Walker*, Esquire; has

"been duly executed by them. The Committee therefore recommend that Your Excellency "do order that a Charter be granted to such persons, under the Great Seal of the "Dominion, pursuant to the 15th clause of the Act 35 Vic., Cap. 71.

"Certified,

"W. A. HIMSWORTH,
"Clerk, Privy Council."

CANADA.

"VICTORIA, by the Grace of God, of the United Kingdom of Great Britain and Ireland, "QUEEN, Defender of the faith, &c., &c.

"To all to whom these presents shall come,—GREETING:

"WHEREAS, by an Act of the Parliament of Canada, passed in the thirty-fifth "year of Our Reign, intituled, 'An act respecting the Canadian Pacific Railway,' it is "provided, upon the considerations therein declared, that a Railway, to be called 'The "'Canadian Pacific Railway,' should be made, in conformity with the agreement referred "to in the preamble to the said Act, and should extend from some point on or near Lake "Nipissing, and on the south shore thereof, to some point on the shore of the Pacific "Ocean; both the said points to be determined by the Governor in Council, and the "course and line of the said railway between the said points to be subject to the approval "of the Governor in Council.

"AND, WHEREAS, it is by the said Act further provided, That the Government of "Canada might further agree with the Company with whom they shall have agreed for "the construction and working of the said railway, for the construction and working of a "branch line of railway, from some point on the railway first thereinbefore mentioned, to "some point on Lake Superior in British Territory, and for the construction and working "of another branch line of railway from some point on the railway first mentioned, in the "Province of Manitoba, to some point on the line between that Province and the United "States of America, the said points to be determined by the Governor in Council; and "that such branch lines of railway should, when so agreed for, be held to form part of the "railway first thereinbefore mentioned, and portions of the Canadian Pacific Railway.

"AND, WHEREAS, amongst other things, it is by the said Act in effect provided, that "if there should be no company either incorporated originally for the construction of the "whole line of railway, or formed out of two or more companies for that purpose, or if "the Government could not agree, or did not deem it advisable to agree, with any such "Company for the construction and working of the whole line of railway under the said "Act, or if the Government should be of opinion that it would be more advantageous for "the Dominion, and would better ensure the attainment of the purposes of the said Act, "that a Company should be incorporated by Charter as therein provided, then if there "should be persons able and willing to form such Company, and having a subscribed capital "of at least ten million dollars, secured to the satisfaction of the Governor in Council, "and ready to enter into such agreement with the Government for the construction and "running of the said railway, the Governor should have power, upon the conditions in "the said Act mentioned, to grant to such persons, and those who should be associated "with them in the undertaking, a Charter embodying the agreement made with such "persons which should be binding on the Company and so much of the said Act, and of "the Railway Act (as such Railway Act was modified by any Act of the now last Session, "with reference to any Railway to be constructed under such Act on any of the lines or "between any of the points mentioned in the said Act now in recital) as should be agreed "upon between the Government and such Company; and that such Charter being pub-"lished in the *Canada Gazette*, with any order or orders in Council relating to it, should "in so far as it is not inconsistent with the said recited Act, have force and effect as if it "were an Act of the Parliament of Canada.

"AND, WHEREAS, the Government has failed to induce the two Companies incorporated by Parliament during its last Session for the purpose of constructing the railway, to form one Company, and does not deem it advisable to agree with either of the said two Companies for the construction of the Railway, and is of opinion that it will be more advantageous for the Dominion, and will better ensure the attainment of the purposes of the Act first above mentioned, that a Company shall be incorporated by Charter as in such Act provided.

"AND, WHEREAS, Sir *Hugh Allan*, of the city of Montreal, Knight; The Honourable *Adams George Archibald*, of the city of Halifax, C. M. G., a Member of the Queen's Privy Council for Canada; The Honourable *Joseph Octave Beaubien*, of Montmagny, Commissioner of Crown Lands in the Province of Quebec; *Jean Baptiste Beaudry* of the city of Montreal, Esquire; *Egerton Ryerson Burpee*, of the city of Saint John, Esquire; *Frederick William Cumberland*, of the city of Toronto, Esquire; *Sandford Fleming*, of the city of Ottawa, Esquire; *Robert Newton Hall*, of the town of Sherbrooke, Esquire; The Honorable *John Sebastian Helmcken*, of the city of Victoria; *Andrew McDermot*, of the town of Winnipeg, Esquire; *Donald McInnes*, of the city of Hamilton, Esquire; *Walter Shanly*, at present of the town of North Adams, in the United States of America, Esquire; and *John Walker*, of the city of London, in the Province of Ontario, Esquire, have shewn themselves to be able and willing to form such Company for the construction and working of the railway and branches; and have subscribed a capital sum of ten million dollars, secured to the satisfaction of the Governor in Council, and have so subscribed the same in the proportions following, that is to say: $3,846,000, or nearly five-thirteenths, in the Province of Ontario; $3,076,800, or nearly four-thirteenths, in the Province of Quebec, and $769,300, or upwards of one-thirteenth, in each of the Provinces of Nova Scotia, New Brunswick, Manitoba and British Columbia respectively; and are ready to enter into an agreement with the Government for the construction and working of the railway and branches; and the Government has agreed with the said persons for the construction and working of the railway and branches.

"AND, WHEREAS, the agreement so made and entered into between the said persons and the Government, is embodied in this Our Royal Charter.

"NOW THEREFORE KNOW YE, that WE, of our especial grace, certain knowledge and mere motion, and in pursuance of the power vested in us by the Act hereinbefore in part recited, DO ORDAIN, GRANT AND DECLARE that the said Sir *Hugh Allan*; Honourable *Adams George Archibald*; Honourable *Joseph Octave Beaubien*; *Jean Baptiste Beaudry*, Esquire; *Egerton Ryerson Burpee*, Esquire; *Frederic William Cumberland*, Esquire; *Sandford Fleming*, Esquire; *Robert Newton Hall*, Esquire; Honourable *John Sebastian Helmcken*; *Andrew McDermot*, Esquire; *Donald McInnes*, Esquire; *Walter Shanly*, Esquire; and, *John Walker*, Esquire; together with all such persons as shall become associated with them in the undertaking for the purposes herein mentioned, shall be and are hereby constituted a body corporate and politic by the name, style and title of 'The Canadian Pacific Railway Company,' and by that name they and their successors shall and may have continued succession; and be capable of contracting and being contracted with, of suing and being sued, pleading and being impleaded, answering and being answered unto in all courts and places whatsoever, in all manner of actions, suits, complaints, matters and causes whatsoever. And that they and their successors may and shall have a common seal, and may change and alter the same at their will and pleasure; and also that they and their successors, by the name of 'The Canadian Pacific Railway Company,' shall be in law capable of taking, purchasing, and holding to them and their successors, any estate, real, personal, or mixed, to and for the use of the Company, and of selling, conveying, leasing or otherwise departing therewith, for the benefit and on the account of the Company, from time to time, as they shall deem expedient or necessary, subject to the provisions, restrictions and limitations hereinafter contained.

"STOCK.

"2. AND WE DO FURTHER ORDAIN and DECLARE, that the Capital "Stock of the Company shall be Ten Million Dollars, which shall not be increased but "by Act of Parliament (such capital stock having been already subscribed as aforesaid), "to be held in shares of one hundred dollars each, which shall in all respects be deemed per- "sonal property, and ten per centum thereon shall be paid into the hands of the Receiver "General of Canada, in money or Canadian Government securities, within one month "after the date of these presents, to remain in his hands until otherwise ordered by Par- "liament. And the interest received by the Receiver General from the investment of "such money and from such securities shall be paid to the Company as received, until he "shall be authorized by the Government to withold and retain the same by reason of some "default incurred by the Company in the performance of the conditions of this Charter, "or of any subsequent agreement between the Government and the Company.

"3. That the shares of the said capital stock shall, after the first deposit thereon has "been paid, be transferable; but no transfer made within six years from the date hereof "shall be valid or effectual, unless it be made with the consent of the Government and of "the Directors, and registered in the books to be kept by the Company for that purpose; "nor after six years, unless it be made with the consent of the Directors, and registered as "aforesaid. And in the event of the right of property in any of the shares in the Capital "Stock of the Company becoming transmitted otherwise than by direct transfer, the "person claiming the same shall be bound to establish such claim in the manner provided "for the transmission of Bank Stock by the Act 34 Vic., cap. 5, intituled, 'An Act res- "'pecting Banks and Banking.' And in the event of the bankruptcy or insolvency of "any holder of any shares not fully paid up, or of the sale thereof under execution, such "shares shall be *ipso facto* forfeited, but the Company shall pay the purchaser of such "shares, or the Assignee or other representative of such Shareholder for such shares at "at the current value thereof.

"4. That no call shall be made upon the stock of the Company beyond or above the "first deposit of ten per centum thereon, save as in this clause mentioned, and the balance "of ninety per centum thereof shall not be called up until after the expenditure of the "money to be raised upon the bonds of the Company or otherwise, as hereinafter "authorized and provided; but such balance shall remain as a security to the Govern- "ment for the final completion and equipment of the railway. After such expenditure "the Directors may, from time to time, if necessary, with the approval of the Government "call upon the shareholders for such instalments upon each share, and in such propor- "tion as the Directors may see fit; except that no such instalment shall exceed ten "per centum on the subscribed capital, and that ninety days' notice of the time fixed "for the payment thereof shall be given in such manner as the Directors shall think "fit. And such calls shall not be made more frequently than once in ninety days.

"RAILWAY.

"5. That the Company, may and shall lay out, construct, equip, maintain and work "a continuous railway, of the width or gauge of four feet eight and one-half inches; "which railway shall be made in conformity with the Act hereinbefore recited, and "with this Our Royal Charter; and such railway shall extend from some point on or "near Lake Nipissing, and on the south shore thereof, to some point on the shore of "the Pacific Ocean, both the said points to be determined by the Government, and the "course and line of the said railway between the said points to be subject to the "approval of the Government.

"6. That the Company may and shall lay out, construct, equip, maintain and work "a branch line of railway from some point on the railway in the last preceding clause men- 'tioned, to some point on Lake Superior, in British territory; and also, another branch 'line of railway from some point on the railway in the last preceding clause mentioned,

"in the Province of Manitoba, to some point on the line between that Province and the "United States of America, the said points and the courses and lines of the said branches "between the said points to be determined by the Government; the said branches to be of "the gauge aforesaid; and such branch lines of railway shall form part of the railway in "the last preceding clause mentioned, and portions of THE CANADIAN PACIFIC RAILWAY.

"7. The railway shall be divided into sections, as follows:—

"(1.) THE EASTERN SECTION.—Extending from the Eastern Terminus to Red River.

"(2.) THE LAKE SUPERIOR SECTION.—Extending from some point on the Eastern Section to Lake Superior.

"(3.) THE CENTRAL SECTION.—Extending from Red River to a point in the longitude of Fort Edmonton.

"(4.) THE MANITOBA SECTION.—Extending from the main line in the Province of Manitoba to the Boundary of the United States.

"(5.) THE WESTERN SECTION.—Extending from a point in the longitude of Fort Edmonton to the Pacific coast.

"8. That the Company shall, within two years from the twentieth day of July, in "the year 1871, commence simultaneously the construction of the railway from the Pacific "Ocean towards the Rocky Mountains, and from a point in the Province of Ontario here- "after to be determined by the Government, towards the Pacific Ocean, to connect the "seaboard of British Columbia with the railway system of Canada; and further shall con- "struct the Manitoba Section by the thirty-first day of December, 1874; the Lake "Superior Section and such portion of the Eastern Section as shall be required to com- "plete communication between Lake Superior and Red River, by the thirty-first day of "December, 1876; shall proceed with and construct the eastern and western sections "simultaneously; shall prosecute the work of constructing the railway with all due "diligence, and shall complete the whole railway within ten years from the said twentieth "day of July, 1871, unless the last mentioned period shall be enlarged by Act of Parlia- "ment, in which case the Company shall complete the whole railway within such extended "period.

"9. That the railway shall be constructed and equipped according to specifications "to be hereafter agreed upon, between the Government and the Company, and the "materials of, and manner in which the several works forming part thereof shall be con- "structed, and the mode of working the railway, or any part thereof, including the "description and capacity of the locomotive engines and other rolling stock for working "it, shall be such as may be hereafter agreed upon between the Government and the "Company: Provided always, that if the Government and the Company should be unable "to agree as to the details of any of the matters in this clause mentioned, the same shall "be, from time to time, referred to the determination of three competent Engineers, one "of whom shall be chosen by the Government, one by the Company, and a third by such "two Engineers, and the expenses of said references shall be defrayed by the Company. "And in order to establish an approximate standard whereby such matters may be regu- "lated, the Union Pacific Railroad of the United States is hereby selected and fixed as "such standard, but in a general way only, and not with respect to any minor details in "its construction or working which may be found to be objectionable, nor with respect "to alignment and grades, which shall be as favorable as the nature of the country will "admit of without undue expenditure.

"10. That whenever any portion of the railway exceeding twenty miles is completed, "the Company shall, upon being thereunto required by the Government, work the same for "the conveyance of passenger and goods, at such times and in such manner as shall be "from time to time agreed upon between the Government and the Company, or in case of "failure to agree, as shall be determined by three Engineers selected as hereinbefore provided.

"11. That the Government may, from time to time, appoint such persons as it may "think proper, to examine, inspect and report upon the construction and equipment of the

"railway, for the purpose of ensuring the faithful performance of the agreement betweer
"the Government and the Company, and the observance of all the provisions of this
"Charter.

"12. That the Company may and shall construct, maintain and work a continuous
"telegraph line throughout and along the whole line of the railway, such telegraph line
"being required for the proper working of the railway, and forming a necessary appendage
"thereto.

"13. That the Company shall, from time to time, furnish such reports of the progress
"of the work, with such details and plans of the work as the Government may require.

"LAND GRANT.

"14. That to secure the construction of the main line of railway, and in consideration
"thereof there is hereby appropriated a grant to the Company of fifty million acres of
"land; which land, with the exceptions hereinafter mentioned, the Company shall be
"entitled to demand andreceive in the Provinces of Manitoba and British Columbia, and
"in the North-West Territories, in blocks not exceeding twenty miles in depth on each
"side of such main line, and not less than six nor more than twelve miles in width, alter-
"nating with blocks of like depth and width on each side thereof, reserved by the
"Government.

"That to secure the construction of the branch lines, and in consideration thereof,
"the Company shall be entitled to demand and receive from the Government in the
"North-West Territories, a land grant in aid of the branch line to Lake Superior, of
"twenty-five thousand acres per mile; and a land grant in aid of the branch line in
"Manitoba, of twenty thousand acres per mile.

"That the land to be granted in aid of the main line, which shall not be comprised
"within the alternate blocks hereinbefore mentioned, or be within the Province of
"Ontario, shall be allotted to the Company in alternate blocks on each side of a common
"front line or lines, in like manner as the blocks granted and reserved along the line of
"the railway. And the land grant which the Government may be enabled to make to the
"Company for the purposes aforesaid, under any arrangement with the Government of
"the Province of Ontario, shall be received by the Company as part of the said land
"grant in aid of the main line.

"But no land grant shall include any land then before granted to any other party,
"or on which any other party has any lawful claim of pre-emption or otherwise, or any
"land reserved for School or other public purposes, or any land reserved or to be reserved
"under agreement with the Hudson Bay Company, and the deficiency arising from the
"exception of any such lands shall be made good to the Company by the grant of an
"equal extent from other wild and ungranted Dominion lands.

"That if it shall be found that any of the alternate blocks laid out along the line of
"the railway are unfit for settlement, the Company shall not be bound to receive from the
"Government any greater depth of land in such blocks than one mile, computed from
"the railway.

"That the lands to be granted in aid of the main line of railway from out of the
"lands of the Dominion, and the lands to be granted in aid of the said branches, shall
"consist of such land as shall be found east of the Rocky Mountains, between parallels
"forty-nine and fifty-seven of north latitude, and the Company shall not be bound to
"receive any lands which are not of the fair average quality of the land in the sections of
"the country best adapted for settlement, lying within those limits: and the same shall
"be laid out, as nearly as may be, contiguous to the lands granted along the main line of
"the railway, and to the Lake Superior branch.

"The Company shall also have a right of way for the railway through the Dominion
"lands.

"The lands hereby appropriated to the Company shall be granted from time to time, "at intervals of six months, as any portion of the railway is proceeded with, in quantities "proportionate to the length, difficulty of construction and expenditure upon such portion, "to be determined in such manner as hereafter is provided.

"15. That the price at which the alternate blocks of land retained by the Govern- "ment shall be sold by the Government, shall be from time to time adjusted by "agreement between the Government and the Company, according to the price that is "found to be obtainable for such lands without obstructing the settlement of the country. "But unless the Company shall sell lands granted to them at a lower average price, or "or shall otherwise agree, the Government shall, for and during the term of twenty years "from the date hereof, retain the upset price of such alternate blocks at an average price "of not less than two dollars and fifty cents per acre. The provisions of this clause are, "however, subject to the sanction of Parliament.

"16. That the sub-division of blocks of land granted to the Company shall be made "in conformity with the system of survey prescribed by the Dominion Lands Act and "any amendment thereof; and shall be made by the Company, and be subject to the "inspection and approval of the Surveyor-General of Dominion Lands.

"17. That the Government shall extinguish the Indian title affecting the lands "herein appropriated, and to be hereafter granted in aid of the railway.

"SUBSIDY.

18. "That a subsidy or aid in money, amounting to Thirty Million Dollars, is "hereby granted to the Company, payable from time to time by instalments at intervals of "one month, as any portion of the railway is proceeded with, in proportion to the length, "difficulty of construction and cost of such proportion, such proportion to be ascertained "and settled in the same manner as is herein provided with respect to the grants of land.

"19. That the Company shall allow as part of the subsidy, the cost of the survey "made in the years one thousand eight hundred and seventy-one, and one thousand eight "hundred and seventy-two, and to be made in the year one thousand eight hundred "and seventy-three, by the Government of Canada, for the purpose of ascertaining the "best line for the railway.

"20. That it shall be lawful for the Company to accept and receive from the "Government of any Province, or from any Municipality in Canada, or from any "Corporation, a subsidy or aid in money, or bonds, or securities, payable in such manner, "at such times, on such conditions, and at such places in Canada or elsewhere as may be "agreed upon with the Company.

"BOARD OF TRUSTEES.

"21. That the Company may by By-Law create a Board of Trustees, to consist of "three persons, to be chosen and to be removable at pleasure, as follows, that is to say; "one member thereof by the Government, one other member thereof by the Board of "Directors, and one other member thereof by or on behalf of the bondholders, in such "manner as may be provided by such By-Law; and upon the completion of such Board by "the choice of such members, the same shall be published by the Secretary of the "Company in the *Canada Gazette*.

"22. That the removal, resignation, mental incapacity, or insolvency of any Member "of the Board shall vacate his appointment as such; and thereupon, or upon the death of "any Member the vacancy occassioned thereby shall be filled by the choice of a person "to be a Member of the said Board by the Government, the Board of Directors, or the "Bondholders, as the case may be, by whom the Member whose vacant seat is to be filled "was originally chosen. And such change shall be published in the manner aforesaid.

"23 That the duties and powers of the Board of Trustees shall be as follows:—

"I. To receive from time to time from the Government of Canada such portion or "portions of the subsidy of Thirty Million Dollars as may be earned by, and payable to "the Company as hereinbefore mentioned.

"II. To receive from time to time the net proceeds of the sales or rents of such "portions of the land hereby appropriated as may from time to time be sold or leased by "the Company; and also all such subsidies and aids as may be granted to the Company "by the Government of any Province, or by any Municipality or other Corporation.

"III. To pay the Board of Trustees for their services, such sums of money as shall "be from time to time fixed by by-law of the Company.

"IV. After payment of expenses of the trust, to invest all moneys received by them "as Trustees in the securities of the Government of Canada, or of any of its Provinces, "or of the United Kingdom of Great Britain and Ireland, or of any of the Colonies of "the United Kingdom, or of the British Possessions in India, or of the United States of "America; and the Board may from time to time sell any such securities, and shall in "any such case forthwith re-invest the proceeds of any such sale in other securities of the "nature and kind hereinbefore mentioned, or in lieu thereof, when so directed by re-"solution of the Bondholders, passed in accordance with a by-law of the Company, "purchase outstanding bonds of the Company

"V. The investments to be so made as hereinbefore directed, and the securities "whereof the same shall from time to time consist, shall form a sinking fund, to be "held by the Board of Trustees, upon the trusts following, that is to say: upon trust to "pay all costs and charges which may be incurred in respect of the execution of the trusts "hereby created, and in the investment and re-investment as hereinbefore mentioned, "and thereafter upon trust to pay the interest upon the bonds of the Company, as the "same shall, from time to time become due and payable, and thereafter upon trust to pay "and discharge the bonds of the Company as the same, and the principal money thereby "secured, shall mature and become due and payable; and upon this further trust, after "full payment and discharge of all sums of money of principal and interest upon the "bonds of the Company, and of all costs and charges incurred in respect of the execu-"tion of the trusts hereby created, to transfer the said sinking fund, and the securities "thereof, to the Company, to and for the absolute use and behoof of the Company; and the "trusts hereby created shall, thereupon cease and absolutely determine.

"VI. The Board of Trustees shall conform to any order or direction respecting the "performance of its duties, which may be concurred in by the Company and by the "Bondholders acting as provided by By-Law.

"24. That the Board shall have such further and other powers in the premises, as "may be conferred upon them by any By-Law of the Company approved by the Govern-"ment. But no such By-Law shall be contrary to, or inconsistent with, the provisions o "this Charter.

"25. That a majority of the Board of Trustees may lawfully exercise the powers of "the Board, and the action of such majority shall be held to be the action of the Board. "But none of the powers hereby vested in the Company or in the Board of Trustees or "the majority of them, shall be acted upon contrary to or inconsistent with the pro-"visions of any agreement which shall be duly entered into by the Company, or the "Board of Trustees, or by both, with any person or persons who may agree to become "holders of the bonds of the Company. And any agreement, resolution or proceeding "made or taken contrary to, or inconsistent with such agreement, to the detriment of "such Bondholders, shall be absolutely null and void in law, and shall have no force or "effect whatever.

"LAND MANAGEMENT.

"26. That the Board of Directors may, from time to time, appoint Commissioners or "Agents for the management and disposal of the lands of the Company, with such powers "and duties as shall be provided by the by-laws of the Company.

"That the Company shall render to the Board of Trustees, yearly accounts of all "sales, leases, or other disposition of lands; and shall from time to time pay over to the "Board of Trustees the net proceeds thereof, after deduction of the cost of management "and sale, such cost not to exceed ten per centum of the gross proceeds.

"POWERS OF COMPANY.

"28. That the Company shall, from time to time, cause the names of the several "parties interested in the stock of the Company, and the amount of interests therein of "such parties respectively, to be entered in a book to be called "The Stock Register, "and may in like manner cause the names and interests of the Bondholders, to be re-"corded from time to time in a book to be called 'The Bond Register'; and duplicates "of all registers of stock and bonds of the Company, and of the holders thereof, kept at "the principal office of the Company in Canada, may be transmitted to and kept by the "agent for the time being of the Company in London.

"29. That the Company may pay to the shareholders, interest on the amount of "their paid-up capital at the rate of five per centum per annum, during the construction "of the railway and works.

"30. That the Company shall have power and authority to become parties to pro-"missiory notes and bills of Exchange for sums not less than one hundred dollars; and "all such promissory notes made or endorsed, and such bills of exchange drawn, accepted "or endorsed by the President, or Vice-President of the Company, under the authority of "the Board, shall be binding on the Company; and may also issue script with the like "signatures, redeemable in the stock of the Company, or in lands, or in both; and in no "case shall it be necessary to have the seal of the Company affixed to any promissory "note, bill of exchange, or script: Provided, however, that nothing in this section shall "be construed to authorise the Company to issue any notes or bills of exchange payable "to bearer, or intended to be circulated as money, or as the notes or bills of a bank.

"31. That the Company may, with the approval of the Government enter into and "conclude any arrangements with any other incorporated railway company in Canada or "the United States, for the purpose of making any branch or branches to facilitate a "connection between the railways of the Company and of such other incorporated "company, and they may, with like approval, enter into arrangements for the mutual "interchange of traffic with all railway companies completing their lines to the lines of "the Company; and they may, with like approval, lease or acquire such last mentioned "railway or railways, or make running arrangements therewith, and generally may, with "like approval enter into such arrangements as will secure uniform and complete railway "connection with the system of railways now or hereafter existing in Canada or the "United States.

"32. That the Company, after the opening of the railway, or any part thereof, to the "public, shall annually submit to the Parliament of Canada, within thirty days after the "opening of each Session thereof, a detailed and particular account, attested by the Pre-"sident and Secretary of the Company, of all moneys by them earned on the part so opened, "together with the running expenses thereof, with a classified statement of the tonnage of "freight, and the number of passengers conveyed over the said road; and shall comply with "any other provisions which Parliament may hereafter make with regard to the form or "details of such account or the mode of attesting or rendering the same.

"33. That the Company may, until such right is determined by Parliament, undertake
"the transmission of messages for the public by any line of telegraph they may construct
"on the line of their railway, and collect tolls for so doing; or may, with the approval of
"the Government, lease such line of telegraph, or any portion thereof, subject to any pro-
"visions herein contained; and, if they think proper to undertake such transactions, they
"shall be subject to the provisions of the fourteenth and following clauses of chapter sixty-
"seven of the Consolidated Statutes of Canada.

"DIRECTORS AND THEIR POWERS.

"34. That the said Sir *Hugh Allan*, *Adams George Archibald*, *Joseph Octave Beau-*
"*bien*, *Jean Baptiste Beaudry*, *Egerton Ryerson Burpee*, *Frederic William Cumberland*,
"*Sandford Fleming*, *Robert Newton Hall*, *John Sebastian Helmcken*, *Andrew McDermott*,
"*Donald McInnes*, *Walter Shanly*, and *John Walker* (a majority of whom shall consti-
"tute a quorum for the transaction of business), shall be Provisional Directors of the
"Company, and shall have power and authority to elect a President and Vice-President
"from among their number, to appoint a Secretary, Treasurer and other officers, to call
"a general meeting of shareholders for the election of Directors, as hereinafter provided,
"and generally to do such other acts as shall be necessary for the conduct and manage-
"ment of the said undertaking, and for finally procuring the election of a Board of
"Directors by the shareholders.

"35. That the Provisional Directors shall hold office until the election of their
"successors; and shall call a meeting of the shareholders, to be held on such day, as here-
"inbefore provided for, and at such place in the City of Ottawa as they shall decide,
"giving due notice thereof to each shareholder; at which general meeting the share-
"holders present, either in person or by proxy, shall elect thirteen Directors, who shall
"constitute the Board, and shall hold office until others are elected in their stead; and if
"any vacancy shall occur by the death, resignation, mental incapacity, insolvency or dis-
"qualification from want of Stock of any Director, the vacancy shall be filled for the
"residue of the current year of office by the Board of Directors.

"36. That the Directors be thirteen in number, of whom seven shall be a quorum,
"and provided such quorum be present, any absent Director may be represented and vote
"by another Director as his proxy; but no Director shall hold more than one proxy.
"And the Directors shall retire in the following order, that is to say: four at the end of
"the first and second years respectively, and five at the end of the third year, and so on
"in similar proportions, during succeeding years. The Directors so to retire at the end
"of the first year shall be selected by ballot of the Board. Those to retire at the end of
"the second year shall be selected by ballot among the nine Directors remaining of the
"original Board. And at the third and succeeding elections they shall retire by seniority,
"but the retiring Directors shall be eligible for re-election; and any Director appointed
"by the Board to fill a vacancy, shall also retire at the end of the current year of office,
"and a Director shall then be elected by the shareholders in his stead—which Director
"shall occupy the same position with regard to retirement and seniority as the Director
"who first vacated the seat. And on the first Wednesday in February, in each year
"thereafter, or on such other day as may be appointed by a by-law of the Company,
"there shall be held at the principal office of the Company, a general meeting of the
"shareholders, at which meeting they shall elect such a number of Directors for the
"ensuing year as shall be required to supply the places of the Directors so retiring; and
"public notice of such annual meeting shall be given at least one month before the day
"of election. Each Director shall be a subject of Her Majesty, and a holder of at least
"two hundred and fifty shares of the said stock. The election of Directors shall be by
"ballot, and the President of the Company, and a majority of the Directors shall reside
"in Canada.

"37. That the chief place of business of the Company shall be at the City of Ottawa, "but other places at which the Directors or Committees of the Directors may meet and "transact business may be fixed by the by-laws of the Company.

"38. That whenever it shall be deemed expedient by the Board of Directors that a "special general meeting of the shareholders shall be convened for any purpose, the "Directors shall convene such meeting at the City of Ottawa, by advertisement, in the "manner hereinbefore mentioned, in which advertisement the business to be transacted "at such meeting shall be expressly mentioned.

"39. That any deed required and authorized to be executed on behalf of the Company, "shall be held to be valid and binding on the Company, if it be signed by the President or "Vice-President and by the Secretary, and the seal of the Company be affixed thereto; "and no special authority shall be required for affixing the seal to any such deed.

"40. That the Directors of the Company shall have power to administer, conduct "and manage the affairs and business of the Company; and shall have and exercise all "the powers requisite to enable them to do and perform, make and execute, all such acts, "matters and things deeds and instruments as shall be necessary to carry out the pro "visions of this charter, according to the true intent and meaning thereof, including the "power of selling, leasing or otherwise disposing of the lands granted or to be granted in "aid of the railway, and of any other lands of the Company not required for the purposes "of the railway; except in so far as their powers are expressly limited by the provisions "hereof. And they shall also have power, from time to time, to make by-laws for the "conduct, management and administration of the affairs of the Company generally; and "for the remuneration of the President and Directors of the Company, if such remun- "eration be deemed advisable; and also, such by-laws as are contemplated by the pro- "visions of this charter for the regulation of divers matters herein required or authorized "to be so regulated; and the same to amend or repeal: Provided always, however, that "such by-laws shall have no force or effect, in any respect in which they, or any of them, "shall be contrary to or inconsistent with this charter, nor in any respect in which they "shall require the approval of the Government, until they have received such approval. "And such by-laws shall in no case have any force or effect after the next general meeting "of shareholders, which shall be held after the passage of such by-laws by the Board of "Directors, unless they are approved by such meeting; and any copy of the by-laws of "the Company, or any of them, purporting to be under the hand of the Clerk, Secretary or "other officer of the said Company, and having the seal of the said corporation affixed to "it, shall be received as *prima facie* evidence of such by-law in all courts of the Dominion "of Canada.

"41. That the Directors of the Company are hereby authorized and empowered to "issue bonds, which shall be a first charge on the railway and its appurtenances, and on "the tolls and revenues thereof, and on all lands, whether the property of the Company at "the time of the issue of such bonds, or thereafter acquired. And such bonds shall be in "such form, and for such amount, and with such coupons attached, and they and the "coupons attached thereto shall be payable at such times and places as the Directors "from time to time shall provide. And the payment to the Treasurer of the "Company, or to any other person appointed by by-law for the purpose, by any *bona fide* "purchaser of any lands of the Company, of the purchase money thereof, and the "acquittance by such Treasurer or other person so appointed, of such purchase money, "shall operate as a release of the lands so paid for from the effect of such charge; and the "Company shall keep all moneys so received separate and apart from its ordinary funds, "and shall pay over the net proceeds thereof to the Board of Trustees as hereinbefore "provided. The bonds shall be signed by the President, or the Vice-President and the "Secretary, but the signature of the President or Vice-President to the bonds, and the

"signature of the Secretary to the coupons, may be lithographed or engraved thereon ; "and such bonds shall be valid without having the seal of the Company affixed thereto.

"Provided that the amount of such bonds shall not exceed forty thousand dollars "per mile, to be issued in proportion to the length of railway to be constructed under "and by virtue of this charter, unless the issue of bonds to a larger amount be authorized "by the Government. And all bonds issued under this charter shall have the same and "equal rank and priority, as a first charge on the assets of the Company hereinbefore "described.

"42. That if, at any time, any agreement be made by the Company with any persons "intending to become bondholders of the Company, restricting the issue of bonds by the "Company, under the powers conferred by the preceding section, or defining or limiting "the mode of exercising such powers ; the Company thereafter shall not act upon such "powers otherwise than as defined, restricted and limited by such agreement. And no "bond thereafter issued by the Company, and no order, resolution, or proceeding there- "after made, passed or had by the Company, or by the Board of Directors, contrary to "the terms of such agreement, shall be valid or effectual.

"43. That the Directors of the Company may, by by-law, appoint an agent or agents "in the City of London, England, and may by such by-law make provision for the "payment of dividends, and for the transfer of the stock and bonds of the Company at "the said City of London, in such manner, and upon such terms and conditions as shall "be provided by such by-law. Provided that all such by-laws for the transfer of stock "passed within six years after the date of this charter, shall be subject to the approval "of the Government.

"MISCELLANEOUS PROVISIONS.

"44. That for the purpose of making an allotment of the land and money subsidies, "the railway shall be divided into convenient sections ; and so soon as sufficient infor- "mation has been obtained respecting the difficulty and cost of construction of such "sections, the proportion of land and money subsidies applicable to each of them shall be "determined by agreement between the Government and the Company ; and if the "Government and the Company are unable to agree upon such proportion, the same "shall be decided upon by three Engineers selected as hereinbefore provided.

"45. That 'The Railway Act, 1868,' as modified by any Act of the Parliament of "Canada, of the Session held in the year 1872, with reference to any railway to be "constructed under any such Act on any of the lines, or between any of the points "mentioned in the Act in this charter first recited, in so far as the provisions of the same "are applicable to the undertaking authorized by this charter, and in so far as they are "not inconsistent with or contrary to the provisions thereof, are hereby incorporated "therewith.

"46. And as respects the said railway, that the eighth section of '*The Railway Act "1868*,' relating to *Plans and Surveys*, shall be subject to the following provisions :—

"It shall be sufficient that the map or plan and book of reference for any portion of "the line of the railway, not being within any district or county for which there is a "Clerk of the Peace, be deposited in the office of the Minister of Public Works of Canada, "and any omission, mis-statement or erroneous description of any lands therein may be "corrected by the Company, with the consent of the Minister, and certified by him ; and "the Company may then make the railway in accordance with such certified correction.

"The eleventh sub-section of the said eighth section of the Railway Act shall not "apply to any portion of the railway passing over ungranted lands of the Crown, or "lands not within any surveyed township in any Province ; and in such places, deviations "not exceeding five miles from the line shown on the map or plan, approved by the

"Government and deposited by the Company, shall be allowed, on the approval of the "Government Inspector, without any formal correction or certificate; and any further "deviation that may be found expedient may be authorized by order of the Government, "and the Company may then make their railway in accordance with such authorized "deviation.

"The map or plan and book of reference made and deposited in accordance with this "section, after approval by the Government, shall avail as if made and deposited as "required by the said '*Railway Act, 1868*,' for all the purposes of the said Act, and of "this charter; and any copy of, or extract therefrom, certified by the said Minister or "his deputy, shall be received as evidence in any court of law in Canada.

"It shall be sufficient that a map or profile of any part of the completed railway, "which shall not lie within any county or district having a registry office, be filed in the "office of the Minister of Public Works.

"The Company shall not commence the construction of any bridge over any "navigable water, until they shall have submitted to the Government plans of such "bridge, and of all the intended works thereto appertaining, nor until such plans, and "the site of such bridge shall have been approved by the Government; and such con- "ditions as it shall think fit to impose touching such bridge shall be complied with; nor "shall any plan of any such bridge be altered, or deviation therefrom allowed, except by "permission of the Government.

"47. That the provision made in sub-sections thirty, thirty-one and thirty-two of "section nine of '*The Railway Act, 1868*,' as to incumbrances on lands acquired by the "Company, shall apply to lands acquired by the Company in the Provinces of Manitoba "and British Columbia, and in the North-West Territories; and as respects lands in the "North-West Territories, the Court of Queen's Bench for the Province of Manitoba shall "be held to be the Court intended by the said sub-sections.

"48. That in the Provinces of British Columbia and Manitoba, any Judge of a "Superior or County Court shall have all the powers given by the said Act to a County "Judge, and in the North-West Territories such powers shall be exercised by a Judge "of the Queen's Bench of the Province of Manitoba.

"49. That it shall be lawful for the Company to take from any public lands adjacent "to or near the line of the said railway, all stone, timber, gravel and other materials "which may be necessary or useful for the construction of the railway; and also to lay "out, and appropriate to the use of the Company, a greater extent of lands, whether "public or private, for stations, depots, workshops, buildings, side-tracks, wharves, harbors "and roadway, and for establishing screens against snow, than the breadth and "quantity mentioned in '*The Railway Act, 1868*,' such greater extent taken, in any "case, being allowed by the Government, and shown on the maps or plans deposited "with the Minister of Public Works.

"50. And whereas, it may be necessary for the Company to possess gravel pits and "quarries, and lands containing deposits of gravel, stone, brick, clay, iron or coal, as well a "lands for stations and other purposes, at convenient places along the line of railway, for "constructing and keeping in repair, and for carrying on the business of the railway, and as "such gravel pits, quarries or deposits cannot at all times be procured without buying the "whole lot of land whereon such deposits may be found; therefore, that the said Company "may purchase, have, hold, take, receive, use and enjoy, along the line of the said railway, "or separated therefrom, and if separated therefrom, then, with the necessary right of way "thereto, any lands, tenements and hereditaments which it shall please Her Majesty, or any "person or persons, or bodies politic, to give, grant, sell or convey unto and to the use of, or "in trust for the said Company, their successors and assigns; and it shall and may be

"lawful for the said Company to establish stations or workshops on any of such lots or "blocks of land, and from time to time, by deed of bargain and sale or otherwise, to grant, "bargain, sell or convey any portions of such lands, not necessary to be retained for "gravel pits, quarries, sidings, branches, fuel yards, station grounds or workshops, or for "effectually repairing, maintaining and using, to the greatest advantage, the said railway "and other works connected therewith.

"51. That as respects places not within any Province, any notice required by *The* "*Railway Act, 1868*, to be given in the *Official Gazette* of a Province, may be given in "the *Canada Gazette*.

"52. That deeds and conveyances of lands to the Company for the purposes of this "Charter (not being letters patent from the Crown) may, in so far as circumstances will "admit, be in the form following, that is to say :—

"'Know all men by these presents, that I, A.B., in consideration of paid to "'me by the Canadian Pacific Railway Company, the receipt whereof is hereby acknow- "'ledged, grant, bargain, sell and convey unto the said The Canadian Pacific Railway "'Company, their successors and assigns, all that tract or parcel of land (*describe the land*) to have and to hold the said land and premises unto the said Company, their "'successors and assigns for ever.

"'Witness my hand and seal, this day of "'one thousand eight hundred and

"'Signed, Sealed and Delivered } A.B. [L.S.]
"'in presence of }

"'C.D.
"'E.F.'"

"or in any other form to the like effect.

"53. That Her Majesty's naval and military forces, whether Imperial or Canadian, "Regular or Militia, and all artillery, ammunition, baggage, provisions, or other stores, "for their use, and all officers and others travelling on Her Majesty's naval or military "or other service, and their baggage and stores, shall at all times, when the Company "shall be thereunto required by one of Her Majesty's Principal Secretaries of State, or "by the Commander of Her Majesty's Forces in Canada, or by the Minister of Militia "and Defence of Canada, or by the Chief Naval Officer on the North American Station "on the Atlantic, or on the Pacific Ocean, be carried on the said railway on such terms "and conditions, and under such regulations as the Government shall from time to time "make.

"54. That the Justices of the Peace for any county or district in British Columbia "and Manitoba, assembled in general or quarter sessions, shall have the power vested by "section forty-nine of *The Railway Act, 1868*, in the Justices so assembled in the "Province of Ontario as to the appointment of Railway Constables, and in places where "there are no such Sessions, any two Justices of the Peace in any Province, or in any "place not within a Province, shall have the powers given by the said section to any two "Justices of the Peace in Ontario for the appointment and dismissal of any such con- "stables; and where there is no Clerk of the Peace the record of the appointment of a "constable shall be dispensed with.

"55. That it shall be lawful for the Government, by order to be published in the "*Canada Gazette*, on or before the first day of May, 1874, to declare this charter, and "the several provisions thereof, and all contracts and agreements made thereunder be- "tween the Government and the Company to be null and void, if the Company have not "by the first day of January last preceding that date, made arrangements to the satisfac-

"tion of the Government for raising the money required for the construction and work-
"ing of the said railway.

"56. That the expression "the Government" and "the Governor in Council" in "this Charter, mean the Governor General in Council; and the expression "railway" "includes as well the branches as the main line of the Pacific Railway, except when the "contrary appears from the context.

"AND WE do, for ourselves, our heirs and successors, grant and declare, that these "Our Letters Patent, or the enrolment thereof, shall be in and by all things valid and "effectual in the law, according to the true intent and meaning of the same, and shall be "recognized as valid and effectual by all Our Courts and Judges, and all officers, persons, "and bodies politic or corporate, whom it doth or shall or may concern.

"IN TESTIMONY WHEREOF, We have caused these Our Letters to be made Patent, "and the Great Seal of Canada to be hereunto affixed. WITNESS, Our Right "Trusty and Well Beloved Cousin and Councillor the Right Honourable Sir "*Frederick Temple*, Earl of Dufferin, Viscount and Baron *Clandeboye* of Clan-"deboye, in the County Down, in the Peerage of the United Kingdom, Baron "*Dufferin* and *Clandeboye* of Ballyleidy and Killeleagh in the County Down, "in the Peerage of Ireland and a Baronet, Knight of Our Most Illustrious "Order of Saint Patrick, and Knight Commander of Our Most Honourable "Order of the Bath, Governor General of Canada, and Governor and Com-"mander in Chief in and over the Island, of Prince Edward, and Vice-Admiral "of Canada and Prince Edward. At Our GOVERNMENT HOUSE, in Our CITY "of OTTAWA in Our Dominion, this Fifth day of February, in the year of Our "Lord, One thousand eight hundred and seventy-three, and in the Thirty-sixth "year of Our Reign.

"By Command,

"J. C. AIKINS,
Secretary of State."

"DEPARTMENT OF SECRETARY OF STATE,
"OTTAWA, 14th February, 1873.

"SIR,—I am directed to transmit to you, the enclosed Charter of 'The Canadian and "'Pacific Railway Company,' the receipt of which you will be good enough to cause to be "acknowledged.

"I have, &c.,

"E. PARENT, U. S. S.

"Sir Hugh Allan, &c., &c., &c.
"Montreal."

MONTREAL, 17th February, 1873.

"SIR,—I have the honour to acknowledge receipt of your letter, dated 14th instant, "accompanied with the Charter of the Canadian Pacific Railroad.

"I have, &c.,

"HUGH ALLAN.

"E. Parent, Esq.,
"Under Secretary of State,
"Ottawa."

"OFFICE OF THE INTEROCEANIC RAILWAY COMPANY OF CANADA,
"TORONTO, 20th June, 1872.

"SIR,—I have the honour to inform you, that the Interoceanic Railway Company of "Canada, was this day organized provisionally by election of myself as President; Mr. "*Charles H. Fairweather* as Vice-President, and Mr. *John Hague* as Secretary.

"I shall feel obliged by your informing me, when the Government will be prepared "to negotiate with this Company, in respect to the construction of the Canadian Pacific "Railway, authorized by Parliament last Session.

"I have, &c.,
"D. L. MACPHERSON,
"President of Board of Provisional Directors.

"To the Honourable,
"The Secretary of State for Canada,
"Ottawa."

"DEPARTMENT OF SECRETARY OF STATE,
OTTAWA, 4th July, 1872.

"SIR,—His Excellency the Governor General in Council has had under consideration "your letter of the 20th ultimo, reporting the Provisional organization of 'The Inter- "'oceanic Railway Company of Canada,' and expressing the desire to be informed when "the Government will be prepared to negotiate with the Company in respect to the con- "struction of the Canadian Pacific Railway, and I am directed to inform you that it is the "wish of the Government of Canada, that your Company and 'The Canada Pacific Rail- "'way Company,' should unite and form one Company, in accordance with the tenth "section of the Act respecting the Canadian Pacific Railway.

"A similar communication has been made to the Secretary of the latter Company, "*E. Lef. de Bellefeuille*, Montreal.

"I have, &c.,
"E. PARENT,
"Under Secretary of State.

"Hon. D. L. Macpherson,
"President, Interoceanic Railway Company,
"Toronto."

"OFFICE OF THE INTEROCEANIC RAILWAY COMPANY OF CANADA.
"TORONTO, 28th September, 1872.

"SIR,—I have the honour to state for the information of the Government, that I "convened a meeting of the Provisional Directors of the Interoceanic Railway Company "of Canada, for the purpose of considering the suggestion of the Government, that this "Company should amalgamate with the Canada Pacific Railway Company.

"At the request of the Board, I send herewith a Copy of a Report from the Execu- "tive Committee upon the subject, adopted unanimously by the Board, declining amal- "gamation for the reasons set forth.

"I am also requested by the Board to intimate to the Government that this Company "is prepared to enter into arrangements for building and working the Canadian Pacific "Railway.

"I have, &c.,
"D. L. MACPHERSON,
"Provisional President.

"To the Honourable,
"The Secretary of State,
"Ottawa."

"INTEROCEANIC RAILWAY COMPANY OF CANADA.

"TORONTO, 26th Sept., 1872.

"At a meeting of the Provisional Directors of the Interoceanic Railway Company of "Canada, held this day, present in person or by proxy :—

"The Hon. *D. L. Macpherson*, President;

"*Chas. H. Fairweather*, Esq., Vice-President;

"The Hon. Messrs. *Wm. McMaster*, *Frank Smith*, *John Simpson*, *G. W. Allan*, *Is. "Thibaudeau*, *John Carling*; *J. W. Cumberland*, Esq., *C. S. Gzowski*, *Esq.*, *J. G. Worts*, "Esq., *John Walker*, Esq., *W. H. Howland*, Esq., *David Torrance*, Esq., *John Boyd*, Esq., "*T. Kenny*, Esq., *Edwin Russell*, Esq., *J. F. Randolph*, Esq., *John Starr*, Esq., the Hon. "*D. E. Price*.

"A communication was read from the Government, suggesting that the Interoceanic "Railway Company should amalgamate with the Canada Pacific Railway Company. The "following report thereon from the Executive Committee was also read :—

"*To the Provisional President, Vice-President and Directors of the Interoceanic Railway "Company:*

"Your Executive Committee have had under consideration a communication from "the Government, expressing a wish that the Interoceanic Railway Company should "amalgamate with the Canada Pacific Railway Company, and they now beg leave to "report :—

"That they have given their best attention to the proposal, solely with reference to "the successful and early completion of the Canadian Pacific Railway.

"The construction and management of an undertaking involving such vast and varied "interests must, in their opinion, mainly depend for success upon its complete identifica- "tion with the public sentiment of the country.

"The subsidy in money, though in itself large, is still insignificant relatively to the "enormous outlay that must attend the construction of the work. The Company having "to rely upon the disposal of their lands for the greater part of their expenditure, renders "it desirable, nay, necessary, that the land should be dealt with so as to enlist the whole "energies of the country in their early settlement.

"It is therefore of supreme importance that the organization through which the Rail- "way is to be built should be essentially and pre-eminently national in its character.

"The sources from whence the Company's means must be drawn are two-fold :

"1st, Canadian ; 2nd, (and chiefly) British.

"Success in the British money market will, in the opinion of your Committee, de- "pend in a great measure upon the extent to which the Canadian people themselves "become interested in the undertaking.

"It is perfectly futile to look to the United States for aid in this work, as it is ne- "cessarily a rival to the several existing Pacific Railways. While this remark applies "generally to its future as a commercial enterprise, it is in the mean time still more ap- "plicable and weighty in reference to the measures required for the early settlement of "the vast regions traversed by the rival lines through the United States. The Canadian "Pacific Railway Company must compete in Great Britain and Europe generally for "the emigration thence, and this can never be done advantageously or successfully in "association with any of the American interests concerned in the trans-continental traffic. "The suggestion for amalgamation with the Canada Pacific Company, more generally "known as that organized by Sir *Hugh Allan*, forces upon your Committee the consid- "eration of the matters above referred to.

"It is a matter of public notoriety that the original proposal of Sir *Hugh Allan*, re- "lative to the Canada Pacific Railway, was made in association with the American "gentlemen most prominently connected with the Northern Pacific Railway. It is gen- "erally believed that the Government are themselves aware of this ; and it was mainly

" owing to the apprehension that the control of a work, upon which the future of the Do-
" minion so much depends, might pass into American hands, that the Interoceanic Com-
" pany was called into existence.

" The public of Canada instinctively felt that if the parties interested in the Northern
" Pacific Railway were permitted to control the Canadian line, that such a combination
" would obstruct the material as well as political alliance with the British possessions
" on the Pacific coast, and retard and endanger the success settlement of the fertile
" Western Territory of Canada.

" From one end of the Dominion to the other, but more especially in the great Pro-
" vince of Ontario, (upon whose people the greater part of the burden of the cost of the
" Railway must fall,) there have come unmistakable indications of public opinion on the
" subject, and the names connected with the Interoceanic Company conclusively shew the
" general determination to make the work distinctively national and Canadian. It may
" appear invidious to institute comparisons between the relative importance of the Inter-
" oceanic Company's organization and that of Sir *Hugh Allan's* Company, but this cannot
" be avoided when the proposal is one for amalgamation.

" Your Committee must therefore remark that the Interoceanic Company is probably
" the largest and most influential combination of men of capital and position which could
" be found in the Dominion, not confined to one Province, but very generally and equally
" representing all.

" With respect to the other Company, your Committee submit that it is not in any
" broad or national sense representative of the Dominion.

" Its active influence is almost exclusively confined to the Province of Quebec, and
" in that Province to the city of Montreal; but excepting Sir *Hugh Allan* himself, and
" two or three other gentlemen, it cannot with fairness be designated as representing the
" capital and enterprise of even that community.

" It is no injustice to say that the claims of Sir *Hugh Allan's* company rest not upon
" general public support, but mainly upon the position of Sir *Hugh Allan* himself. Early
" though it be in the history of the Canadian Pacific Railway, the dangerous character of
" such an organization as the Company you are invited to amalgamate with, has already
" been made apparent by its promoters resorting to the arena of politics for that strength
" and support not due to its intrinsic merits.

" The Interoceanic Company, on the other hand, has relied solely upon general pub-
" lic support, and has in no instance appeared as desirous of unduly influencing the
" Government.

" If the Canadian Pacific Railway is to be made the subject of undue and improper
" pressure by one section of the Dominion to the prejudice of others, it will soon acquire
" a reputation which will destroy public confidence in the enterprise, and occasion either
" its abandonment or completion at sacrifices far beyond any that the country now
" contemplates.

" Your Committee readily admit that it would be desirable to secure the united
" strength of the Dominion in support of this work, and if the Company organized by Sir
" *Hugh Allan* really represented Canadian interests, though local, it would be well to
" have their co-operation.

" But, unfortunately, the impression still exists everywhere, that Sir *Hugh Allan's*
" original scheme is unchanged, and that his Company is intended to co-operate with the
" parties in the United States interested in the Northern Pacific Railway, and your Com-
" mittee sharing this belief, cannot regard the proposal of amalgamation as otherwise
" than ill-advised and dangerous to the public interests.

" Your Committee are convinced that such an amalgamation would at once destroy
" public faith in the Company as a Canadian undertaking.

" They believe that if amalgamation were accomplished, the best friends of the enter-
" prise in Canada would refuse their aid, and that in consequence an excuse would be

" found for placing it under the control of the rival American Company, or of its chief " promoters, in the illusory hope that they would carry it through to completion.

" Your Committee fail to find an adequate reason for asking the Interoceanic Com- " pany to part with its individuality.

" The public everywhere evince confidence in it as it is.

" Assurances have been received from every Province in the Dominion (except " Manitoba), that the quota of stock allotted to each by the Act of Incorporation would " be subscribed, and in some of the Provinces much more than such allotted quota would " be taken.

" In this way all classes of the community would be closely identified with the great " national work, and the fulfilment of such assurances would vastly strengthen the Com- " pany in its negotiations in England and on the continent of Europe.

" By entrusting the execution of the Pacific Railway to the Interoceanic Company, " the Government will, in effect be dealing with the representatives of their own people.

" They will be assured of the application of every dollar and every acre to the sole " object which Parliament contemplated in granting the subsidies, and that the lands will " not be permitted to pass under foreign control, or be held back from settlement for " years, or until those of the Northern Pacific Railway Company are occupied. Your " Committee cannot avoid drawing attention to the fact, that the promoters of the line— " which is our nearest rival route—the gentlemen with whom Sir *Hugh Allan* has been " acting, depend wholly upon the sale of their lands for means to construct that railway. " It is, therefore, of extreme importance to the promoters of that line, the Northern " Pacific, to get control of the Canadian lands (which almost equal in area England and " Scotland), and to retard their settlement until their own are disposed of.

" No more suicidal policy could be pursued by the people of Canada, than to allow " their rivals to have such an interest in this national undertaking, as would virtually " transfer to them the ownership and control of 50,000,000 acres of Canadian Territory ; " would invest them with the direction of the immigration policy, which must be inaugu- " rated for the settlement of those lands ; confer upon them the power to influence the " construction and progress of the railway ; and grant to them, in perpetuity, a monopoly " of the traffic over the Canadian, which is the shortest and best trans-continental route.

" Your Committee firmly believe that amalgamation means the admission of this rival " United States interest into the organization of the Canadian enterprise, and that once " admitted and wielded for one object, it would speedily master the divided and weak- " ened Canadian representation. They consider that this danger far outweighs any pos- " sible advantage that could result from union with Sir *Hugh Allan* and his associates. " They are convinced that the public would shrink from committing themselves and their " means to the undertaking, and they therefore respectfully recommend that the Board of " Directors of this Company inform the Government that they cannot be parties to any " amalgamation with the Canada Pacific Company, but are prepared forthwith to enter " into arrangements on behalf of the Interoceanic Company for the construction and " working of the Canadian Pacific Railway.

" All of which is submitted.

" (Signed,)	D. L. MACPHERSON.	" (Signed,)	C. H. FAIRWEATHER.
"	W. SHANLY.	"	FRED. CUMBERLAND.
"	W. H. HOWLAND.		

" After discussion of the foregoing report, the following resolution was carried " unanimously :—

" ' That the Report of the Executive Committee, just read, be approved and adopted, " ' and that the President be requested to transmit a copy of the same to the Government, " ' as setting forth the reasons of this Board for declining amalgamation with the Canada " ' Pacific Railway Company.'

"A true extract from the Minutes of the Provisional Board of the Interoceanic
"Railway Company of Canada.

"(Signed,) JOHN HAGUE,
"Provisional Secretary.

"Toronto, Sept. 18th, 1872."

"OTTAWA, 7th October, 1872.

"SIR,—I am directed to acknowledge the receipt of your letter of the 28th ultimo,
"and inclosures, informing this department that the Interoceanic Railway Company of
"Canada declines its amalgamation with the Canada Pacific Railway Company, as pro-
"posed by the Government, and intimating that the Company is prepared to enter into
"arrangement for the building and working of the Canadian Pacific Railway.

"I have, &c.,

"E. PARENT,
"Under Secretary of State.

"Hon. D. L. Macpherson,
"President, Interoceanic Railway Company,
"Toronto."

"DEPARTMENT OF SECRETARY OF STATE,
"OTTAWA, 16th October, 1872.

"SIR,—I am directed to transmit to you the enclosed copy of a "'memorandum of
"'the Canada Pacific Railway Company,' upon the statement submitted by the Inter-
"oceanic Railway Company to the Government of Canada.

"I have, &c.,

"E. PARENT,
"Under Secretary of State.

"Hon. D. L. Macpherson,
"President, Interoceanic Railway Company,
"Toronto."

"*Memorandum of the Executive Committee of the Interoceanic Railway Company of Canada,*
"*upon the Memorandum submitted to the Government by the Executive Committee of*
"*the Canada Pacific Railway Company, dated 12th October, 1872.*

"The undersigned, the Executive Committee of the Interoceanic Railway Company,
"offer their acknowledgments to the Honourable the Privy Council, for communicating
"to them the memorandum of the Canada Pacific Company upon the communication
"addressed to the Government by the Interoceanic Company, on the 30th September last;
"setting forth their reasons for declining amalgamation with the Canada Pacific Company.

"The undersigned beg to say that when transmitting that statement to the Govern-
"ment, the Interoceanic Company had no intention of entering upon a controversy with
"the Canada Pacific Company through the medium of the Government. But they do not
"regret that the Government saw fit to communicate it to the Canada Pacific Company.
"The object of the Interoceanic Company was merely to communicate, frankly, to the
"Government the reasons which prevented their complying with the request of the
"Government to amalgamate with that Company.

"The Interoceanic Company decided against amalgamation after mature deliberation,
"and under the firm persuasion that they were acting in the true interests of the country.

"The undersigned will now proceed to comment briefly upon the memorandum of the "Executive Committee of the Canada Pacific Company.

"The undersigned observe that the Committee of the Canada Pacific Company profess "to concur fully in the opinion which the Interoceanic Company holds, namely that the "importance to Canada of the Canadian Pacific Railway being owned and worked pre-"eminently as a Canadian enterprise, cannot be exaggerated. It is matter for regret that "the Canada Pacific Company, or its chief promoter, did not always entertain this opinion; "had they or he done so, it is probable the Interoceanic Company would never have "sought incorporation.

"The Committee of the Canada Pacific Company seem anxious to establish that the "promoters of that company are more Canadian than the promoters of the Interoceanic "Company, because the draft Charter, as originally submitted to Parliament by the former "Company, provided that all the Directors should be British subjects, while that of the "Interoceanic Company only required that a majority should be so. The undersigned must "express surprise that any importance should seem to be attached to what is manifestly "unimportant, if not, positively trivial. To make the Company really Canadian it is "necessary that the greater part of the stock should be *bona fide* held by Canadians and "British subjects.

"It was the purpose of the Interoceanic Company to secure that object, and, it once "secured, they saw no reason for excluding any class of their fellow citizens, whether "native born or alien, from participating in the management of the Company.

"Shareholders have the power to control the policy of companies; Directors are "merely their agents or deputies to carry it out. If Canadians hold *bona fide* a controlling "amount of the stock of the Canadian Pacific Railway, they will see that the Directors, "whatever their nationality, manage the undertaking for the advantage of the shareholders "and of Canada; but if a controlling portion of the Stock is held by citizens and residents "of the United States interested in a rival railway, they will see that their Directors carry "out their policy regardless of Canadian interests, even if the law required every member "of the Board to be a British subject and a resident of Canada, under such circumstances "if any of the Directors prove too patriotic to give effect to the designs of the foreign "shareholders, they will be removed and more subservient men elected in their stead.

"The Committee of the Canada Pacific Company argue, at great length, that under "their proposal for amalgamation it would be impossible to alienate any portion of the "public subsidies from the purposes for which they were intended, and that an attempt to "alienate them, if made, would result in a forfeiture of the agreement.

"The undersigned see no force or weight in this argument. But even if it has some "force, as far as it applies, it would be of little moment; for desirable though it be that the "advantages resulting from the construction of the railway should be insured to Canadians, "yet these advantages are insignificant when compared with those that would follow the "ownership of the road after completion, viz.: the possession of a vast territory in the "heart of the Dominion, and the control of a large trans-continental traffic.

"The undersigned regret that the Committee of the Canada Pacific Company, while "admitting the respectability of the Directors of the Interoceanic Company from the "Province of Quebec, should have made three of those gentlemen the subject of invidious "attack. The gentlemen referred to are too well known, at home and abroad, as successful "merchants of high character and wide influence, to require any vindication from this covert "and unwarranted attack. They compare favourably with any gentleman upon the "Provisional Board of the Canada Pacific Company, or any other Board of Directors in "the Dominion.

"The undersigned do not know what is referred to in the following extract from the "memorandum of the Committee of the Canada Pacific Company:—'And as to the "'other gentlemen whose names appear in the Bill of the Interoceanic Company, that who "'did not take part in that meeting, the well-known circumstances of their reception into

"'that Company prevent the expectation that they will exercise any influence in its
"'favour.'

"If the insinuation is intended to charge that the names of any gentlemen were
"introduced into the Charter of the Interoceanic Company, either as Provisional Direc-
"tors or Corporators, without their knowledge and consent, the undersigned meet that
"charge by the most unqualified denial. Of the one hundred and seven names which
"appear in the Charter of this Company, no name was placed there except at the solici-
"tation or with the permission of the gentleman named; but the undersigned have been
"given to understand that of the eighteen names which appear in the Charter of the
"Canada Pacific Company, more than one, and that too of the more influential among
"them, were used without permission.

"The Committee of the Canada Pacific Company deny, in most distinct terms, that
"that Company have in any way interfered in politics.

"The undersigned can only assume that the Committee desires to state that no
"interference in politics took place under authority of a formal resolution of the Pro-
"visional Directors of that Company.

"The public press has made the whole country aware of pressure having been
"brought to bear upon the Government by Sir *Hugh Allan* during the Montreal election.

"On the eighth day of August last, Sir *Hugh Allan* delivered a public speech, of
"which a report appeared in the newspapers published on the following morning. Sir
"*Hugh* then, as now, President of the Canada Pacific Company, in that speech, referring
"to the contract for that enterprise, declared that he had received pledges from Sir *George*
"*Cartier* which were entirely satisfactory to him. His own words were: 'I have every
"'reason to be satisfied with what Sir *George* has done.' Unless it can be shown that
"the Provisional Directors of the Canada Pacific Company disapproved of and annulled
"the agreement or arrangement which Sir *Hugh Allan*, their President, declared he had
"concluded to his own entire satisfaction, the undersigned submit that the Canada
"Pacific Company must be held to be parties to that agreement.

"The undersigned consider that it would have been proper in the Canada Pacific
"Company to have communicated that agreement to the Interoceanic Company when
"proposing amalgamation.

"The Interoceanic Company have at all times studiously avoided everything calcu-
"lated to arouse sectional feeling, and have always held that all traffic intended
"for the Maritime Provinces and for shipment to Europe, *via* the St. Lawrence, should
"go by Montreal, but they have likewise held that the interests of the Railway Company
"and of the Dominion require that the location of the Pacific Railway shall be as near
"the settled and tax-paying Districts of Ontario as the reasonable directness of the line to
"tide-water may permit. While the Interoceanic Company have avoided all sectionalism,
"it will be noticed by those who may read Sir *Hugh Allan's* speech already referred to,
"that he unfortunately excites it, and to justify his doing so, advances the extraordinary
"doctrine, that those, for the transport of whose products and merchandise railways are
"constructed 'have a less direct interest' in their location and economical construction
"and running than those who have merely the handling of the property at a port of
"transhipment.

"The Committee of the Canada Pacific Company admit that negotiations were
"carried on between Sir *Hugh Allan* and certain American capitalists for the formation
"of a Company to construct and run the Canadian Pacific Railway, but they say 'that
"'this negotiation was not initiated by Sir *Hugh*, but was commenced and supported by
"'influential persons in Canada, as being the only combination that offered itself at the
"'time for the construction and running of the road, and they are satisfied that that
"'negotiation never possessed the character attributed to it by the Interoceanic Company,
"'and that they know Sir *Hugh Allan* would never have consented to embark with
"'foreign capitalists in a Canadian enterprise, in which he takes so great an interest

"'without the most perfect securities and guarantees for its control and conduct in the "'interest of Canada.'

"If, as may be implied from the above, Sir *Hugh Allan* provided 'securities and "guarantees' for the control of the Railway by Canadians, the undersigned submit that "the production of the agreement would be the satisfactory mode of enabling the Govern-"ment and country to judge of their sufficiency.

"They must add, however, that in the opinion of the Interoceanic Company, nothing "short of the ownership of the undertaking by Canadians would afford real security or "guarantee for its control and conduct in the interests of Canada.

"The undersigned are not aware who the influential gentlemen are to whom the Com-"mittee refer. They never heard any influential gentleman named as having negotiated "with American capitalists except Sir *Hugh Allan* himself. The Committee of the Canada "Pacific Company declare that their Company 'never participated in the negotiations "'referred to, and never considered or entertained any proposition, suggestion or intention "'of asking aid from American capitalists, or of combining with them for the prosecution "'of the Railway or for any other purpose. The only negotiations they have carried on "'are those already alluded to with British capitalists, and they have never even commu-"'nicated on the subject of the Railway with any outside Canada or Great Britain.'"

"The undersigned confess that this statement surprises them, and they have reason to "believe the American capitalists with whom Sir *Hugh Allan* has been negotiating would "be equally surprised if they had communication of it, but the undersigned assume that "the Executive Committee only mean it to be understood that the Canadian Pacific Com-"pany did not authorize, by formal resolution of the Directors, any negotiations with capi-"talists in the United States. While accepting the denial made on behalf of the Canada "Pacific Company, the undersigned assume as they have already stated, that it is not in-"tended to apply to the acts of their President, for the undersigned learn from one of the "promoters of the Interoceanic Company, who has had the opportunity of communicating "with gentlemen in the United States who were parties to and interested in the arrange-"ment made with Sir *Hugh Allan*, that they consider the same to be still in force, but that "owing to the feeling existing in Canada against the Canadian Pacific Railway being "owned by Americans, they, the Americans, would not in future be known in the project

"The American capitalists had been led to expect that the amalgamation of the two "Canadian Companies would have been effected in September last.

"The undersigned are given to understand, through the same source, that the scheme "of the 'American' or 'Allan' combination for constructing and running the Railway, "is to connect at Sault St. Marie, and at Pembina with the Northern Pacific Railway, and "use that line when built between the two points named; that it is intended to send all "the traffic between the West, including British Columbia and the Atlantic cities, by the "American Lines of Railway, *via* St. Paul, and sending through Canada only the traffic "destined for Europe and the Maritime Provinces.

"This information was obtained by the undersigned about the time the memorandum "of the Committee of the Canada Pacific Company, under consideration, was written. "The undersigned feel bound to communicate it to the Government. It confirms in a "remarkable manner the opinion expressed to the Government by the Interoceanic Com-"pany, and justifies the decision of that Company against amalgamation.

production of heat will be required, and one extra new boiler will, I fully expect have to be provided.

The usual and ordinary repairs have been done.

"'The correspondent, to whom the undersigned are indebted for this information, uses "'the following language in commenting upon it, in which the undersigned fully concur: "'If this (scheme) is carried out, our great national enterprise, instead of being the "'successful rival of the American Company, competing for the Asiatic trade, which is "'now in its infancy, and building up the Dominion as no other undertaking can do, will "'simply be the Canadian Branch of the Northern Pacific Railroad, entirely under its "'control and dictated to by it relentlessly.

"The undersigned beg to say that they do not yield to any Company or individual "in the earnest desire to promote the earliest possible construction of the Canadian Paci-

"fic Railway compatible with its being a strictly Canadian and British enterprise, and the "Canadian Pacific Company cannot more sincerely than the undersigned, desire to aid the "Government in carrying out this great national undertaking. It would, however, be "doing the Government poor service to agree to amalgamation unless the Interoceanic "Company believe that the Amalgamated Company would constitute a distinctively Cana- "dian Company of sufficient strength to carry the undertaking to a successful issue. The "undersigned are of opinion that amalgamation with the Canada Pacific Company would "not lead to this result. They deem it their duty to state to the Government that in "their opinion the admitted negotiations of Sir *Hugh Allan* with gentlemen in the United "States, resulting in an arrangement or understanding which is considered opposed to "Canadian interests, and which the undersigned, from information in their possession and "referred to above, have reason to believe is still substantially existing, will continue to "cause the Canadian people to view with suspicion, and prevent their subscribing stock "in any company in which Sir *Hugh Allan* and his associates appear controlling parties. "The undersigned are of opinion that this feeling instead of being confined to a limited "circle, as the Committee of the Canada Pacific Company allege, will be found to influ- "ence the people of the whole Dominion.

"The undersigned venture to remind the Government that Books for applications "for Stock in the Canada Pacific Company have been open for months at the Capitals of, "and large Towns in, all the Provinces of the Dominion.

"The Pacific Company have thus had the best means of ascertaining the favour with "which they are regarded by the capitalists and people of Canada.

"It is somewhat surprising that their Committee do not, in their memorandum, in- "form the Government what amount of Stock has been applied for and subscribed up to "a given day, say to the first day of October last. Instead of doing so the Committee's "Memorandum is conspicuously silent in respect to the countenance and aid their Com- "pany expect from Canadian sources.

"From this silence, were it not for their repeated protestations that their Company "would be pre-eminently Canadian and British, it might fairly be assumed that the Direc- "tors had little or no expectation of making it so. For the reasons given above, and "those stated in their communication of the 30th September last, the undersigned on "behalf of the Interoceanic Company feel themselves under the necessity of again declin- "ing amalgamation with the Canada Pacific Company; but they beg to reiterate, that "from the assurances they have received from capitalists in this and the other Provinces "and in England, the Interoceanic Company, as an independent organisation, can under- "take to construct and run the Pacific Railway in the full confidence of carrying the "work successfully to completion, through the instrumentality of a Canadian and British "Proprietary.

"All of which is respectfully submitted.

"(Signed,) D. L. Macpherson, C. H. Fairweather,
" W. Shanly, W. H. Howland.

"Office of the Interoceanic Railway Company of Canada,
"Toronto, 25th Nov., 1872.

"I certify that the foregoing is correctly copied from the minute book of the Inter- "oceanic Railway Company.

"(Signed,) John Hague,
"Toronto, 25th November, 1872." Provisional Secretary.

"Department of the Secretary of State,
"Ottawa, 22nd October, 1872.

"Sir,—I am directed to forward you the enclosed Copy of an Order in Council on "the subject of the correspondence between the Government of Canada and the Executive

" Committee of the Provisional Directors of the contemplated Interoceanic Railway Com-
" pany, relative to the Canadian Pacific Railroad.

" I have the honour to be, Sir,
" Your obedient servant,
" E. PARENT,
" Under Secretary.

" Hon. D. L Macpherson,
" President, Interoceanic Railway Co.,
" Toronto."

" OFFICE OF THE INTEROCEANIC RAILWAY COMPANY OF CANADA,
" TORONTO, 25th October, 1872.

" SIR,—I have the honour to acknowledge receipt of a Copy of an Order in Council
" on the subject of the correspondence between the Government of Canada and the Exe-
" cutive Committee of this Company, relative to the Canadian Pacific Railroad.
" I shall take the earliest opportunity of laying it before the Directors of this Com-
" pany.

" I have the honour to be, Sir,
" Your obedient servant,
" D. L. MACPHERSON,
" Provisional President, Interoceanic R. Co.

" To the Hon. the Secretary of State,
" Ottawa."

" OFFICE OF THE INTEROCEANIC RAILWAY COMPANY OF CANADA,
" TORONTO, 25th October, 1872.

" SIR,—I have the honour to acknowledge receipt of a copy of a 'Memorandum of
" 'the Canada Pacific Railway Company,' upon the statement submitted by the Company
" to the Government.
" I shall lay it before the Directors of this Company with as little delay as possible.

" I have the honour to be, Sir,
" Your obedient servant,
" D. L. MACPHERSON,
" Provisional President, Interoceanic R. Co.

" To Hon. J. C. AIKINS,
" Secretary of State, Ottawa."

" OFFICE OF THE INTEROCEANIC RAILWAY COMPANY OF CANADA,
" TORONTO, 26th November, 1872.

" SIR,—I have the honour to enclose a 'Memorandum of the Executive Committee
" 'of the Interoceanic Railway Company of Canada upon the memorandum submitted to
" 'the Government by the Executive Committee of the Canada Pacific Railway Company,'
" dated 12th October, 1872.
" I regret the delay that has taken place in transmitting to the Government there-

" ply of this Company to the memorandum of the Canada Pacific Railway Company. It
" has been caused by the absence from Toronto of members of the Executive Committee
" of this Company, one of whom is still absent in England.

" I have the honour to be, Sir,
" Your very obedient servant,
" D. L. MACPHERSON,
" Provisional President, Interoceanic R. Co. of Canada.

" To the Hon. the Secretary of State,
" Ottawa."

" OFFICE OF THE INTEROCEANIC RAILWAY COMPANY OF CANADA,
" TORONTO, 28th Nov. 1872.

" SIR,—I have the honour to enclose a memorandum from the Executive Committee
" of the Interoceanic Railway Company, referring to a report of a Committee of the
" Honourable the Privy Council, approved by His Excellency the Governor General, on
" the 16th day of October last, a copy of which you transmitted to me for the information
" of the Interoceanic Railway Company of Canada.

" I regret the delay that has taken place in transmitting to the Government the
" accompanying memorandum; it has been caused by the absence from Toronto of mem-
" bers of the Executive Committee of this Company, one of whom is still absent in
" England.

" I have the honour to be, Sir,
" Your most obedient servant,
" D. L. MACPHERSON,
" Provisional President of the Interoceanic Railway Co. of Canada.

" To the Honourable the Secretary of State,
" Ottawa."

" MEMORANDUM.

" The undersigned Executive Committee of the Interoceanic Railway Company of
" Canada have the honour to state, that they have had under consideration the report of
" the Committee of the Honourable the Privy Council upon the subject of amalgamation
" of the Interoceanic Company and the Canada Pacific Railway Company, approved by
" His Excellency the Governor General in Council on the 16th day of October last, and
" transmitted to the Provisional President of this Company. In reply, the undersigned
" beg respectfully to state, for the information of His Excellency the Governor General,
" that the communications addressed to the Government by this Company, on the 30th day
" of September last and on the 25th day of November inst., fully set forth the reasons
" which induced this Company to decline amalgamation with the Canada Pacific Railway
" Company.

" The undersigned deem it unnecessary to re-state those grounds. They will merely
" add that the promoters of the Interoceanic Company are satisfied that the amalgamation
" of that Company with the Canada Pacific Company would not fulfil the anticipations of
" the Government, because, in their opinion, it would not secure the confidence of the
" people of the Dominion for the amalgamated Company, and that consequently amalga-
" mation, under such circumstances, would be followed by certain failure when the
" time arrived for organizing the Company upon a Canadian proprietary basis.

" The principal matters referred to in the report of the Committee of the Honourable
" the Privy Council having been, as already stated, discussed at length in the two
" communications above referred to, the undersigned only consider it necessary to remark

"upon one other point now, for the first time, brought under the notice of the Interoceanic "Company.

"The undersigned, with the utmost respect, beg to state they gather from the report "of the Honourable the Privy Council, that the Government impliedly charges the "promoters of the Interoceanic Company with remissness in not communicating with the "Government during the Summer of 1871, and making a proposition for constructing "and running the Canadian Pacific Railway.

"The undersigned submit that they do not see how they could have done so before "the Government had announced its readiness to receive propositions.

"The Committee of the Honourable the Privy Council furnishes, in the opinion of "the undersigned, an answer to this charge, as it appears by the report that when Mr. "*Waddington* and his associates approached the Government to tender for the construction "and running of the Railway, they were informed that the Government was not in a "position to enter into negotiations.

"Should the refusal of the Interoceanic Company to amalgamate result in excluding "it from all connection with the Canadian Pacific Railway, the undersigned and their "associates will nevertheless have the satisfaction of knowing that if that great national "undertaking remains in Canadian and British hands it will be due, in no small measure, "to their efforts, and that if it should unfortunately fall into foreign and rival hands, it "will be through no fault of theirs, but in the face of their most strenuous exertions to "avert so great a calamity.

"All of which is submitted.

"(Signed,)

"D. L. MACPHERSON,
"C H. FAIRWEATHER,
"W. SHANLY,
"W. H. HOWLAND.

"Office of the Interoceanic Railway Company of Canada,
"Toronto, 28th November, 1872."

"I certify that the foregoing Memorandum is correctly copied from the Minute Book "of the Interoceanic Railway Company of Canada.

"JOHN HAGUE,
"Provisional Secretary.

"Toronto, 28th November, 1872."

"DEPARTMENT OF SECRETARY OF STATE,
"OTTAWA, 2nd December, 1872.

"SIR,—I have the honour to acknowledge your letter of the 28th ultimo, enclosing "a Memorandum from the Executive Committee of the Interoceanic Railway Company, "referring to a Report of a Committee of the Honourable the Privy Council, dated 16th "October last.

"Yours, &c., &c.,

"E. PARENT,

"The Honourable D. L. Macpherson, Senator,
"Toronto."

(Enclosure No. 3.)

"CORRESPONDENCE BETWEEN SIR HUGH ALLAN AND HIS "AMERICAN PARTNERS.

(From the "Montreal Herald.")

"The following portion of the documentary evidence, showing the corrupt nature of "the negotiations between Sir *Hugh Allan* and the Government, in connection with the "granting of the Pacific Railway Charter, has come into our possession."

(Telegraph.)

"'FATHER POINT, October 8, 1871.

"'To C. M. SMITH, of Chicago,
"'Metropolitan Hotel, New York.

"'Send me by mail, care of *Allan Bros.* & Co., Liverpool, the names of the parties "'engaged with us in the railroad enterprise.

"'(Signed) H ALLAN.'"

(Letter.)

"'LONDON, E. C., Nov. 4, 1871.

"'DEAR MR. SMITH,—I find a considerable interest manifested here by monied men "'in our scheme of a Dominion Pacific Road, and if we desire to raise funds here to carry "'on the work, I have no doubt they can be obtained. I have not heard anything from "'the Government on the subject, and I presume nothing will be done till I go back. I "'propose to sail some time this month.

"'Yours truly,
"'(Signed) HUGH ALLAN.'"

(Telegraph.)

"'MONTREAL, 7th Dec., 1871.

"'To C. M. SMITH, Banker.

"'I do not think the Government at Ottawa will be prepared to deal with us sooner "'than the 18th inst. Sir *F. Hincks* is here, and hints at necessity of advertising for "'tenders to avoid blame.

"'(Signed) HUGH ALLAN.'"

(Telegraph.)

"'MONTREAL, 8th Dec., 1871.

"'C. M. SMITH, Banker.

"'I have seen Sir *Francis* to-day. He says they have determined to advertise, and "'that it is no use to visit Ottawa at present. I write you by mail.

"'(Signed) HUGH ALLAN.'"

(*Letter.*)

"'MONTREAL, 8th Dec., 1871.

"'To C. M. SMITH, Esq., Chicago.

"'DEAR SIR,—Sir *Francis Hincks* called at my office this day, and said that, while "'he was as anxious as ever to arrange with us about the railroad, the feeling of the "'Government is, that if they closed an agreement with us without advertising for ten- "'ders, they would be attacked about it in the House. I think this may be true, and "'in view of it I see no use in our going to Ottawa at present, but I think we should "'meet and arrange preliminaries ourselves and decide on a course of action. If, there- "'fore, you could come here about the 15th inst., I would go on to New York with you "'on the 18th, and we could then put the affair in shape. Please advise me if this suits "'you.

"'Yours truly,
"'(Signed) HUGH ALLAN.'

"'MONTREAL, 29th Dec., 1871.

"'To G. W. MCMULLEN, Esq., Picton, Ont.

"'DEAR SIR,—I have your note from Picton, but I have not heard from New "'York since I left there. A good many rumours are afloat regarding railroad matters, "'and I have good reason to believe that Mr. *Brydges* is using all the influence he can "'with *Cartier* to thwart our views, not that he has any proposal to make, but he wants "'to stop the Pacific Railway altogether. A party in the interest of the Hudson's Bay "'Company, consisting of *Donald A. Smith, D. McInnes, G. Laidlaw, G. Stephen, Daniel "'Torrance* (of New York), and one or two others, have given notice in the *Official "'Gazette* that they will apply for a charter to make a railroad from Pembina to Fort "'Garry. That is the only one that affects us. I go to Ottawa on Wednesday, and "'will return here on Saturday. I will find out there what is going on, but I think we "'are sure of *Cartier's* opposition.

"'Yours truly,
"'(Signed) HUGH ALLAN.'"

"'MONTREAL, January 1st, 1872.

"'DEAR MR. MCMULLEN,—I saw Mr. *Brydges* yesterday and found out pretty "'nearly what he will require, to join our railway project. His terms are very high, "'but as they possibly include more than himself, we may have to concede them. He "'thinks, however, that the Government will not have the courage to go into the "'scheme at all, and will shirk it till after the elections. I go to Ottawa on Wednesday "'and will see what they propose to do. I will write you as soon as I find out. I in- "'tend to return back to here on Saturday night. Wishing you the compliments of the "'season.

"'I am, yours truly,
(Signed) "'HUGH ALLAN.'"

"'P.S.—I have a telegram from you this moment advising me that you are going "'to New York, I therefore send this letter to the St. Nicholas Hotel there.'"

"'MONTREAL, January 24th, 1872.

"'To CHARLES M. SMITH and GEORGE W. MCMULLEN.

"'GENTLEMEN,—My subscription of $1,450,000 to the stock of the proposed Canada
"'Pacific Railway Company includes the sum of $200,000 furnished jointly by you and
"'myself, to be transferred in whole or in part to Mr. *C. J. Brydges* on condition of his
"'joining the organization and giving it the benefit of his assistance and influence.
"'In case he refuses or neglects to join before the 15th day of April next, I will transfer
"'at once thereafter to you jointly $100,000 of the before named subscription, and in
"'case Mr. *B.'s* influence and co-operation can be secured for a less interest, in the rail-
"'way Company, than the before-mentioned amount, then I will transfer to you one-
"'half of any residue that remains of the said $200,000, after Mr. *Brydges'* accession to
"'the Company has been secured. It is, however, understood that any residue or por-
"'tion of the $200,000 named, may be used to secure any other influence deemed by
"'myself and you desirable or important, on the same terms as is proposed in regard to
"'Mr. *Brydges*, and may apply to others in addition to him.

"'Yours truly,

"'(Signed) HUGH ALLAN.'"

"'MONTREAL, 5th Feb., 1873.

"'DEAR MR. MCMULLEN,—I returned yesterday from Ottawa. Everything looks
"'well up till the present time, but I may tell you in strict confidence that there are
"'symptoms of coolness between Sir *John A.* and *Cartier*, arising from the coquetting of
"'the latter with *Blake* and *Mackenzie* to form an alliance and carry the elections next
"'summer, with a view to leave *John A.* out in the cold. This would not be quite so
"'well for us; but I am going to Toronto on the 7th inst., to look after our interest.
"'We are all right with the *Globe*. You have not yet sent me the articles of agreement
"'signed by the parties. Send it immediately, as I need it in my negotiations. I will
"'require you to come down here by and by, to arrange the construction of the Com-
"'pany, and consult about other matters. In the printed bill is there not a mistake
"'about the land and taxation? Look at it.

"'Yours truly,

"'(Signed) HUGH ALLAN.

"'To G. W. McMullen, Chicago.

"'*P.S.*—I wrote you, but have not received any answer."

"'To C. M. SMITH, Chicago.

"'TORONTO, 23d Feb., 1872.

"'DEAR SIR,—I find that Mr. *Brydges* is making a strong attempt by exciting
"'national feeling to get up an opposition to us in our Pacific schemes. He is endea-
"'vouring to get up what he calls a purely Canadian Company, on the representation
"'that we are going to make enormous profits out of it, the most of which will go to parties
"'in the United States. He has written to influential men here and in other parts of the
"'country, urging them to subscribe stock merely as security, for they never will be called on
"'to pay anything, and he says the Government must give a preference to a Canadian
"'Company. I do not know to what extent he has been successful.

"'Yours truly,

"'(Signed) HUGH ALLAN.'"

"'TORONTO, 24th February, 1872.

"'C. M. SMITH, Esq., Chicago.

"'DEAR SIR,—Since writing to you yesterday, I have seen Mr. *D. L. Macpherson*, "'of Toronto, who is a Member of the Dominion Senate, and rather an important person "'to gain over to our side. He has been applied to by our opponents, and uses that as "'a lever by which to obtain better terms from us. He insists on getting $250,000 of "'stock, and threatens opposition if he does not get it. You will remember, he is one of "'those I proposed as Directors. I will do the best I can, but I think that *McMullen*, "'you, and myself will have to give up some of our stock to conciliate these parties.

"'Yours truly,

"'(Signed,) HUGH ALLAN.'"

"'MONTREAL, 28th February, 1872.

"'C. M. SMITH, Esq., Chicago.

"'DEAR SIR,—It seems pretty certain that, in addition to money payments, the "'following stock will have to be distributed:—*D. L. Macpherson*, $100,000; *A. B.* "'*Foster*, $100,000; *Donald A. Smith*, $100,000; *C. J. Brydges*, $100,000; *J. J. C.* "'*Abbott*, $50,000; *D. McInnes*, $50,000; *John Shedden*, $50,000; *A. Allan*, $50,000; "'*C. S. Gzowski*, $50,000; *George Brown*, $50,000; *A. S. Hincks*, $50,000; *H. Nathan*, "'$50,000; *T. McGreevy*, $50,000—total, $850,000. To meet this I propose that we "'give up of our stock as follows:—*C. M. Smith*, $250,000; *G. W. McMullen*, $250,000; "'*Hugh Allan*, $350,000—total, $850,000. Please say if this is agreeable to you? I "'do not think we can do with less, and may have to give more. I do not think we will "'require more than $100,000 in cash, but I am not sure as yet. Who am I to draw on "'for money when it is wanted, and what proof of payment will be required? You are "'aware I cannot get receipts. Our Legislature meets on the 11th of April, and I am "'already deep in preparation for the game. Every day brings up some new difficulty "'to be encountered, but I hope to meet them all successfully. Write to me "'immediately.

"'Yours truly,

"'(Signed) HUGH ALLAN.

"'*P.S.*—I think you will have to *go it blind in the matter of money—cash payments.* "'*I have already paid* $8,500, *and have not a voucher, and cannot get one.*

"'MONTREAL, 4th March, 1872.

"'MY DEAR MR. MCMULLEN,—Mr *Macpherson*, of Toronto, and Mr *Brydges* here, "'have both notified me to-day that they decline to join us in the Canadian Railway "'scheme. Their reasons are that the Company is too largely American, and that they "'want to see it in the hands of Canadians. They tried to detach me from the Company "'we have formed and get me to join theirs, which of course I declined. I don't know "'what they can do against us, but I intend going to Ottawa on Monday, the 11th inst., "'and will try and find out something about it. I will be in Ottawa most of the week.

"'Yours truly,

"'(Signed) HUGH ALLAN.'"

"'MONTREAL, April 16, 1872.

"'DEAR MR. MCMULLEN,—I must remain here to-night to write my letters for the "'English mail, which I have been rather neglecting of late. You might make use of "'your time in seeing such of the Ministers as you can reach, but I wish especially that "'you would arrange that you and I together should see Sir *John A.* at 11 o'clock on

"'Thursday. Telegraph me to Prescott Junction to-morrow if you can do this. I "'enclose a letter which came enclosed to me from New York this day. What can be the "'matter there? I ought to arrive at Ottawa at 4.30 to-morrow p.m. (Wednesday.).

"'Yours truly,

"'(Signed) HUGH ALLAN.'"

"'G. W. McMullen, Esq., "'MONTREAL, June 12th, 1872.

"'Russell Hotel, Ottawa.

"'DEAR SIR,—I have this day received a telegram from you, dated New York, "'asking me to meet you in Ottawa to-morrow on important business. I am unable to "'go, and if the important business refers to the Pacific Railway scheme, I do not think "'it necessary I should go. I believe I have got the whole arranged through my French "'friends, by means you are aware of, and we have now a pledge of Sir *G.* that we will "'have a majority, and other things satisfactory. I have told you all along that this "'was the true basis of operations, and anything else was powder and shot thrown away, "'and I think so still. You should come here and see me before you carry out any "'important transaction or pay any money. I want you to get a correct copy of the "'Government Bill and our own Bill, because we have first to consider how far they "'will suit our friends, and we may have to go to New York to consult them. I will be "'in town to-morrow and Friday. I will be absent on Saturday, but will return here on "'Monday and be here till Friday.

"Yours truly,

"'(Signed) HUGH ALLAN."

"'MONTREAL, 16th July, 1872.

"'MY DEAR MR. MCMULLEN,—I feared you had got entirely lost in the depths of "'matrimony, but I am glad to notice by your letter dated 11th instant, that you have "'got safely back. Since I saw you the Pacific Railway "Canada" scheme had gone "'through many phases, and its present position is difficult to be described. Sir "'*Geo. Cartier* has been in town for some days and I have had several interviews with "'him. He now tells me that he does not now, and never did intend to deal with either "'Macpherson's Company or ours, and that he only allowed them to get incorporated as "'a matter of *amusement*, but he says he always intended that the Government would "'form its own Company, would carry on the work under the orders of the Government, "'according to the views of the Government engineers, and with money furnished by the "'Government. He says that he and Sir *John A.* made up their minds to this long ago, "'but did not tell any of their colleagues. A kind of negotiation is going on with "'*Macpherson* and myself, relative to the composition of this Government Company, but "'it has not come to anything as yet; meantime, the period of the elections is drawing "'near, and unless the matter is arranged satisfactorily to Lower Canada, Sir *George* "'*Cartier's* prospect of being returned is very slim indeed. I cannot foresee with any "'certainty the ultimate result, but the decision cannot be long put off. I will advise "'you as soon as anything is positively known.

"'Yours truly,

"'(Signed) HUGH ALLAN.'"

"THE FOLLOWING IS ADDRESSED TO AN AMERICAN GENTLEMAN IN A VERY HIGH POSITION "IN NEW YORK, WHOSE NAME HAS BEEN GIVEN TO US, BUT WHICH IS FOR THE "PRESENT WITHHELD:—

"'MONTREAL, 1st July, 1872.

"'MY DEAR SIR,—The negotiations regarding the Canadian Pacific Railway are "'now approaching a termination, and I have no reason to doubt they will be favorable

"'to us. I have been given to understand by Mr. *McMullen* that he has regularly kept "'you informed of the progress and position of affairs, hence I have not communicated "'with you as often as I otherwise would have done. No doubt he has informed you "'that thinking as I had taken up the project there must be something very good in it, "'a very formidable opposition was organized in Toronto, which for want of a better "'took as their cry, 'No foreign influence; no Yankee dictation; no Northern Pacific "'to choke off our Canadian Pacific,' and others equally sensible. So much effect, "'however, was produced both in and out of Parliament by these cries, that after "'consultation with Mr. *McMullen*, I was forced unwillingly to drop ostensibly from our "'organization every American name, and to put in reliable people on this side in place "'of them. It will have been apparent to you that at this point Mr. *McMullen* and I "'differed a little as to the means to be adopted to influence the Government itself. Two "'opposing companies, desiring to build the railroad, were formed. The one from "'Ontario having the greatest number of names while that from Quebec had the "'greatest political power. Mr. *McMullen* was desirous of securing the inferior members "'of the Government, and entered into engagements of which I did not approve, as I "'thought it was only a waste of powder and shot. On a calm view of the situation, I "'satisfied myself that the decision of the question must ultimately be in the hands of "'one man, and that man was Sir *George E. Cartier*, the leader and chief of the French "'party. This party has held the balance of power between the other factions; it has "'sustained and kept in office and existence the entire Government for the last five years; "'it consists of forty-five men, who have followed *Cartier* and voted in a solid phalanx "'for all his measures. The Government majority in Parliament being generally less "'than forty-five, it follows that the defection of one-half or two-thirds would at any "'time put the Government out of office. It was therefore evident that some means "'must be adopted to bring the influence of this compact body of members to bear in our "'favour, and as soon as I made up my mind what was the best course to pursue, I did "'not lose a moment in following it up. A railroad from Montreal to Ottawa, through "'the French country, north of the Ottawa river, has long been desired by the French "'inhabitants; but *Cartier*, who is the salaried solicitor of the Grand Trunk road, to "'which this would be an opposition, has interposed difficulties, and by his influence "'prevented its being built. The same reason made him desirous of giving the contract "'for the Canada Pacific into the hands of parties connected with the Grand Trunk "'Railway, and to this end he fanned the flame of opposition to us; but I saw in this "'French railroad scheme and in the near approach of the general elections, when "'*Cartier* as well as others had to go to their constituents for re-election, a sure means of "'attaining my object, especially as I propose to carry it through to the terminus "'of the Pacific. The plans I propose are in themselves the best for the "'interests of the Dominion, and in urging them on the public I am really doing "'a most patriotic action. But even in that view, means must be used to influence the "'public, and I employed several young French lawyers to write it up in their own "'newspapers. I subscribed a controling influence in the stock, and proceeded to subsi-"'dize the newspapers themselves, both editors and proprietors. I went to the country "'through which the road would pass, and called on many of the inhabitants. I visited "'the priests and made friends of them, and I employed agents to go among the principal "'people and talk it up. I then began to hold public meetings, and attended to them "'myself, making frequent speeches in French to them, showing them where their true "'interest lay. The scheme at once became popular, and I formed a Committee to "'influence the members of the Legislature. This succeeded so well that, in a short "'time, it had 27 out of 45 on whom I could rely, and the electors of the ward in this "'city, which *Cartier* himself represents, notified him that unless the contract for the "'Pacific Railway was given in the interests of Lower Canada, he need not present "'himself for re-election. He did not believe this, but when he came here and met his "'constituents, he found, to his surpise, that their determination was unchanged. He

"'then agreed to give the contract, as required, in a way that there would be seventeen "'Provisional Directors, of which Ontario would have eight and we nine, thereby giving us "'the control. We at once proceeded to organize the Company, and they named me Presi- "'dent, *D. McInnes*, of Hamilton, Vice-President; *E. L. DeBellefeuille*, Secretary, and Hon. "'*J. J. C. Abbott*, Legal Adviser. We have advertised that the books for subscription "'of stock will be opened on the 15th July, at the different places named in the Act, "'and we have notified the Government we are willing to take the contract for building "'the Canada Pacific Railway on the terms and conditions prescribed in the Act. The "'next thing to be done is to subscribe stock, which must be done by British subjects "'only, and ten per cent. of the subscription must be paid in cash at the time of "'subscribing. We have the right of subscribing nine-seventeenths at present, and of "'taking up whatever the other party may not subscribe at the end of the month. I "'have arranged in the meantime that if you will send a certificate of the equivalent of "'$1,000,000 gold, having been placed by *Jay Cooke* & Co. to the credit of the Mer- "'chants' Bank of Canada, Montreal, in their own bank, in New York, it will accept the "'checks for the subscription, but no money will pass till the contract is entered into, "'and then ten per cent. on the whole amount of stock awarded us will have to be paid "'into the Receiver-General. Be pleased, therefore, to send me as early as possible, "'powers of attorney to subscribe stock, and *Jay Cooke* & Co.'s certificate above men- "'tioned. I have had several letters from England, offering to take the whole thing up "'if we desire to part with it, but it looks to me to be too good to part with readily. "'If you wish any further information I will go to New York next week, if you desire "'it, and communicate with you personally. Please telegraph if you wish to see me, and "'the day. As you may suppose, the matter has not reached this point without great "'expense,—a large portion of it only payable when the contract is obtained, but I think "'it will reach not much short of $300,000.

"'Yours faithfully,

"'(Signed,) HUGH ALLAN.

"'P.S.—I presume you desire that unless we can obtain and secure a majority of "'the stock, you would not take any. But on this point I wish to be instructed.

"'(Signed,) H. A.'"

"The following is to the gentleman before alluded to:—

"'MONTREAL, 7th August, 1872.

"'DEAR SIR,—I wrote you on 1st July, giving you a detailed account up till that "'date, of the events and my movements in connection with the Canadian Pacific "'Railway. I have not had any acknowledgment of the receipt by you of that letter, "'but I suppose it reached you in due course. The question I asked you, however, "'remains unanswered, and I now proceed to inform you of the progress of the negotia- "'tions since the date of my letter. The policy adopted has been quite successful, the "'strong French influence I succeeded in obtaining has proved sufficient to control the "'elections, and as soon as the Government realized this fact, which they were unwilling "'to admit and slow to see, they opened negotiations with me. It is unnecessary to "'detail the various phases through which it passed, but the result is that we yesterday "'signed an agreement by which, on certain monetary conditions, they agree to form a "'Company, of which I am to be President, to suit my views, to give me and my friends "'a majority of the stock, and to give the Company so formed the contract to build the "'road on the terms of the Act of Parliament, which are $30,000,000 in cash, and "'50,000,000 acres of land, with all other advantages and privileges which can be given "'to us under the Act, and they agree to do everything in their power to encourage and "'assist the Company during the whole course of construction. The final contract is to

"'be executed within six weeks from this date, probably sooner. Our opponents are to "'get a minority of the stock, and they regard us with great jealousy and dislike, in "'consequence of their defeat, and on that account the Government is obliged to stipulate "'that no foreigner is to appear as a shareholder, so as to avoid the former cry of selling "'ourselves to the Northern Pacific, and succumbing to foreign influence. The shares "'taken by you and our other American friends, will therefore have to stand in my "'name for some time. We shall get six million dollars of the stock out of the whole "'capital of [illegible] million of dollars. I again ask you if the parties are willing to take the "'reduced amount of stock in the same proprotions, signed for previously. As it is "'my duty, I offer it to you, but there are plenty desirous of getting it;—ten per cent. "'on the amount will have to be paid up and deposited in the hands of the Government "'as security, but will be returned, I think, as soon as the work is fully begun. The "'expenses incurred in bringing the matter to this point have been very great. I have "'already paid away about $250,000, and will have to pay at least $50,000 before the "'end of this month. I don't know as even that will finish it, but I hope so. Of course "'this will all have to come from the subscribers to the six million stock, if you elect to "'go on with the subscription, I will visit New York about the end of this month, to "'settle the details with you. Please apply as early as convenient.

"'I am, yours faithfully,

"'(Signed,) HUGH ALLAN.'"

"'MONTREAL, 6th August, 1872.

"'DEAR MR. MCMULLEN,—I have been hoping from day to day that some con- "'clusion, which I could communicate to you, would be arrived at, respecting the Pacific "'Railway negotiation, but some obstacle to cause delay always intervened. The near "'approach of the elections, however, and the stand taken by my French friends, that "'they would lend us help till I pronounced myself satisfied, has at length brought the "'matter to a crisis, and I think the game I have been playing is now likely to be attended "'with success. Yesterday we entered into an agreement, by which the Government "'bound itself to form a Company of Canadians, only according to my wishes. That this "'Company will make me President, and that I and my friends will get a majority of the "'stock, and that the contract for building the railroad will be given to this Company, in "'terms of the Act of Parliament. Americans are to be carefully excluded in the fear "'that they will sell it to the Union Pacific, but I fancy we can get over that some way "'or other. This position has not been attained without large payments of money. I "'have already paid over $200,000, and will have at least $100,000 more to pay. I "'must now soon know what our New York friends are going to do. They did not an- "'swer my last letter.

"'Yours, truly,

"'(Signed) HUGH ALLAN.'"

"'MONTREAL, 16th September, 1872.

"'GEO. W. MCMULLEN:—

"'DEAR SIR:—I wanted at this time to have a meeting in New York, to see what "'our friends there were disposed to do, but to day I have a letter from——stating that "'he is leaving New York for Chicago, there to join——, and the two are going to Puget "'Sound. They say, no meeting can be held till the 15th of July, which will not do at "'all. I hope in ten days or so to have the contract signed, and would like immediately "'after to go to England to raise the money to build the line. I have disbursed $343,000 "'in gold, which I want to get repaid. I have still to pay $13,500, which will close "'everything off. I will go to New York as soon as the contract is signed, say about "'the 17th of October, and would be glad to meet you there."'

"'Yours, truly,

"'(Signed) HUGH ALLAN.'"

(Enclosure No. 4.)

"EXPLANATORY STATEMENT OF SIR HUGH ALLAN.

(From the "Montreal Gazette.")

"In reply to the letters which appeared in Saturday's paper, Sir *Hugh Allan* has "made the following affidavit :—

"'I, Sir *Hugh Allan*, of Ravenscraig, in the Province of Quebec, Knight, being duly "'sworn, depose and say :

"'That I have for some years past taken a strong interest in the development of "'railway communication throughout the Dominion of Canada, and particularly through "'the district of country lying to the westward of Montreal, with a view to increasing "'the facilities of communication between the seaboard and Western America. And that "'amongst other projects, my attention was early directed to the scheme for constructing "'a railway between Montreal, as the most Westerly Atlantic seaboard, and the Pacific "'Ocean.

"'That in the autumn of 1871 I learned, in conversation with Sir *Francis Hincks*, "'that certain American capitalists had proposed to the Government, through Mr. "'*Waddington*, to organize a company for the purpose of building the Canada Pacific "'Railway, but that no action had been taken upon their proposition. That, thereupon, "'inasmuch as no movement appeared to be contemplated in Canada for the purpose in "'question, and I doubted if Canadian capitalists could be induced to subscribe to it to "'any large extent, I obtained from Sir *Francis Hincks* the names of the persons who "'had been communicating with Government, and immediately placed myself in cor- "'respondence with them, for the purpose of endeavoring to form a Pacific Company, in "'advance of the measures which were expected to be taken by the Government at the "'then ensuing Session of Parliament.

"'That, accordingly, after a certain amount of negotiation, I entered into an "'agreement with Mr. *Smith*, of Chicago, and Mr. *McMullen*, who was understood to "'represent a certain number of American capitalists—in which I reserved for Canadians "'as much stock as I thought I could procure to be subscribed in Canada, the remainder "'to be taken up by the Americans interested and their friends. This agreement con- "'templated, a vigorous prosecution of the work of construction, in conformity with the "'design of the Canadian Government so soon as it should be ascertained, provided the "'means to be placed at the disposal of the Company were such as in the opinion of the "'associates would justify them in undertaking the contract. And with regard to this "'agreement, I most distinctly and explicitly declare that neither in the agreement itself, "'nor in any conversation or negotiation connected with it, was there any stipulation, "'statement or expressed plan, which had for its object any retardation of the work, or "'any other purpose than its completion throughout at as early a day as would be con- "'sistent with reasonable economy in building it. And more particularly, I declare that "'there was no intention expressed or implied, either in the agreement or in the negotiations "'which accompanied it, of placing it in the power of the Northern Pacific Railway or "'any other Company or body of men to obstruct the enterprise in any manner or way "'whatever.

"'That no further steps of importance were taken by myself or associates up to the "'time of the opening of the Session of Parliament at Ottawa, in respect of the projected "'Company, except that I placed myself in communication with the Government, offering "'to organize a Company which would undertake the construction of the road, and "'discussing the question of the facilities and aid which the Government would probably "'recommend to be furnished by the country, and in the course of these discussions and "'negotiations, I endeavoured, as far as possible, to secure for myself the position of "'President of the projected Company, which was the position my associates were willing "'to allow me, and to which I thought myself entitled from the active part which I took "'in the great national enterprise to which the agreement and negotiations in question

" 'had reference. And as to this point I had reason to believe, from the first, that the
" 'Government was prepared to admit my claim.

" 'That when the time for the Session of the Canadian Parliament approached, I
" 'applied to Mr. *Abbott* to prepare the requisite legislation; and shortly after Par-
" 'liament had opened I proceeded to Ottawa for the purpose of ascertaining how matters
" 'were progressing, and what prospect there was of a successful prosecution of the
" 'undertaking by myself and the persons who were then associated with me. That,
" 'previous to this time, however, I had communicated with a large number of persons in
" 'Canada on the subject of the proposed Company, requesting their co-operation and
" 'assistance, and endeavouring to induce them to subscribe for stock to such extent as I
" 'thought fair, considering their position and means. And though I did not meet with
" 'any great measure of success in procuring subscriptions of stock, yet it was quite as
" 'great as I had anticipated when making my arrangements with the American capital-
" 'ists. In my negotiations with them, therefore, I provided for the distribution of the
" 'stock which those gentlemen were willing to subscribe, or which I believed they would
" 'eventually be willing to subscribe, upon the formation of the Company.

" 'That, when I visited Ottawa, as stated in the last paragraph, I ascertained, by
" 'personal observation and communication with the Members of the House, that a strong
" 'prejudice had arisen against any connection with American capitalists in the formation
" 'of the proposed Company, the fear expressed with regard to that subject, being that
" 'such capitalists would find it for their interest rather to obstruct the Canadian Pacific,
" 'and further the construction of the Northern Pacific, than to act in the interests of
" 'Canada by pressing forward the Canadian Road. And though I did not share this fear,
" 'and always believed, and still believe, that the persons who proposed to be associated
" 'with me would have gone on with the enterprise in good faith to the best of their
" 'ability, yet I found the feeling for the moment so strong that I judged it expedient and
" 'proper to yield to it, and therefore consented that the legislation to be presented to the
" 'House should exclude foreigners from the Company, and that the Directors should be
" 'exclusively Canadian.

" 'That a Bill incorporating the Canadian Pacific Company was then introduced into
" 'the House by Dr. *Grant*, who had been a prominent advocate of the Canadian Pacific
" 'scheme, and had introduced in the last previous Session a similar measure at the
" 'instance of the late Mr. *Waddington* and others who were then interesting themselves
" 'in the project.

" 'That notwithstanding that the Bill which was so introduced, contemplated by its
" 'terms, the exclusion of foreigners, I did not feel by any means convinced that the
" 'Government would insist upon any such condition, believing as I did, and do, that such
" 'a proposition was impolitic and unnecessary. I did not, therefore, feel justified in
" 'entirely breaking off my connection with the American associates, although I
" 'acquainted them with the difficulty which might arise if the Government took the
" 'same position which the majority of the people with whom I conversed at Ottawa
" 'appeared to do. I was aware that by the terms of the Bill introduced by the Govern-
" 'ment, they would have a controlling power as to the terms of the contract, and I was
" 'willing to abide by their decision as to the extent of interest, if any, which foreigners
" 'might be permitted to hold. And until that decision was communicated to me, I felt
" 'in honour bound by the agreement I had made to leave the door open for the entrance
" 'of my American associates into the Company, unless the contingency arrived of a
" 'distinct prohibition by the Government against admitting them. And in
" 'informing them of the progress in the affair in Canada, as I did on certain occasions as
" 'an individual, and without implicating the Company of which I was a member, I con-
" 'sidered that I was only acting fairly by them. And I did not intend thereby to bind, and as
" 'I conceive, did not in any way bind or compromise to my views the other members of
" 'the Canada Pacific Railway Company, with whom I did not think it necessary to com-
" 'municate at all on the subject of my occasional correspondence with my American asso-

"'ciates, the more especially as this correspondence was entirely private and confidential,
"'and moreover, was written with such inattention, as to accuracy of expression as might
"'be expected in correspondence intended only to be seen by those to whom it was
"'addressed. During my stay at Ottawa, I had some communication of an informal
"'character with members of the Government, and I found that they were still disposed
"'to recognize the value of my services in endeavouring to organize a Company. But
"'in view of the rivalry which appeared to exist in respect of the Pacific scheme, and
"'the strong array of Canadian names which had been obtained by the Interoceanic
"'Company as associates in its project, nothing definite leading me to expect any
"'preference for myself, or for the Company which I was endeavouring to organize, or
"'indeed anything definite relating to the project, was said by the members of the
"'Government with whom I communicated. It appeared to me that while their
"'intentions and opinions had been freely expressed to me when no Company other than
"'that which I was proposing to organize was likely to be formed, the presence of com-
"'petition amongst Canadians, for the contract, had decided them to allow matters to
"'take their own course until they should have been enabled to decide after the
"'formation of the Canadian Companies what line of conduct would be most con-
"'ducive to the interest of the country. And there was, therefore, very little said or
"'done during the Session which gave me any clue to the views of the Government with
"'respect to the course of action which they would probably ultimately adopt.

"'After the session, the Canada Pacific Railway Company, of which I was a
"'member, proceeded to organize; and notified the Government that they were prepared
"'to take the contract for building and running the Pacific Railway on the terms and
"'conditions mentioned in the Government Bill. They caused stock books to be opened
"'in various parts of the Dominion in conformity with the Act, and took such initiatory
"'steps and such other proceedings as were necessary to enable them to act as an organ-
"'ized corporate body. That it soon after became evident to me that the Government would
"'be best pleased to see an amalgamation of the two Companies incorporated by Parlia-
"'ment, in order that united action might be secured and the greatest strength obtained
"'in the formation of a Canadian Company. And I therefore opened negotiations with
"'the Interoceanic Company for the purpose of endeavouring to effect such an amalga-
"'mation, and at the same time the Canada Pacific Company placed itself in communica-
"'cation with the Government with relation to the same subject. It was thereupon
"'intimated that the Government were also desirous that the amalgamation should take
"'place. That, thereupon, Mr. *Abbott*, a member of the Canada Pacific Railway Company,
"'proceeded to Toronto to meet Senator *Macpherson*, and, if possible, to arrange terms of
"'amalgamation that would be satisfactory to both Companies. And after a discussion
"'of the matter during two or three days, in Toronto, between him and Mr. *Macpherson*,
"'he reported to the Canada Company that there did not appear to be any material
"'difficulty in the way of our amalgamation, except that the claim which I made to be
"'President of the amalgamated Company, and to have the nomination of an equal
"'number of the members of the new one to that nominated by Mr. *Macpherson*
"'could not be acceded to. Mr. *Macpherson's* proposal was, that he, as representing
"'the Interoceanic Company, should have the nomination of a larger number of members
"'in the amalgamated Company than I, and that the question of the Presidency
"'shall be left to the Board of Directors. With regard to the Presidency, Mr. *Abbott*
"'informed the Company that Sir *John Macdonald* expressed himself as being
"'favourable to my election as President, and that any influence the Government might
"'possess among the members of the amalgamated Company would be exercised for the
"'purpose of aiding in my election to that office, and that probably the difficulty, as to
"'the nomination of members to the new Company, between myself and Mr. *Macpherson*,
"'might be obviated in some way. In other respects, he reported that he could find no
"'divergence of opinion as to the amalgamation of the two Companies between myself
"'and Mr. *Macpherson*.

"'After receiving Mr. *Abbott's* report of the negotiation at Toronto, I felt satisfied "'that no difficulty would occur in bringing them to a successful termination. And as "'the late Sir *George Cartier* happened to be in Montreal shortly afterwards, and I "'was taking considerable interest in his re-election, I met him and had unofficial "'conversations with him on the subject of the Charter on several occasions, urging that "'the influence of the Government should be used to procure the amalgamation upon "'such terms as I considered would be just to myself and the Company over which I pre-"'sided.

"'That Sir *George Cartier*, was, as I was aware, communicating with the Premier "'on the subject of the Pacific Railway amongst others; and that at one of the interviews "'I had with him he showed me a communication from the Premier, of which the follow-"'ing is a copy :—

"'July, 26th, 1872.

"'Sir GEORGE CARTIER, Ottawa.

"'Have seen *Macpherson*. He has no personal ambition, but cannot, in justice to "'Ontario, concede any preference to Quebec in the matter of the Presidency or in any "'other particular. He says the question about the Presidency should be left to the "'Board. Under these circumstances, I authorize you to assure *Allan* that the influence "'of the Government will be exercised to secure him the position of President. The "'other terms to be as agreed on between *Macpherson* and *Abbott*. The whole matter to "'be kept quiet until after the elections. Then the two gentlemen to meet the Privy "'Council at Ottawa, and settle the terms of a provisional agreement. This is the only "'practical solution of the difficulty, and should be accepted at once by *Allan*. Answer.

(Signed) "'JOHN A. MACDONALD.'

"'And Sir *George Cartier* on that occasion gave me the assurance which he was "'by that telegram authorized by the Premier to convey to me.

"'That on further discussion with Sir *George Cartier* as to the course which the "'Government would probably take with regard to the amalgamation and the contract to "'be granted, I urged upon him certain modifications of the terms of the above tele-"'gram from Sir *John Macdonald*, and finally Sir *George* came to entertain the opinion "'that I was entitled to have certain of those modifications conceded to me, and expressed "'his willingness to recommend it to his colleagues. Being desirous of having as definite "'an expression of opinion from Sir *George*, as he felt himself justified in giving, I "'requested that he would put what he stated verbally to me in writing, and accordingly, "'on the 30th of July, 1872, he wrote to me the following letter :—

[COPY.]

"'MONTREAL, 30th July, 1872.

"'DEAR SIR HUGH,—I enclose you copies of telegrams received from Sir *John A.* "'*Macdonald*; and with reference to their contents I would say that in my "'opinion the Governor in Council will approve of the amalgamation of your "'Company with the Interoceanic Company, under the name of the Canadian "'Pacific Railway Company, the Provisional Board of the amalgamated Company "'to be composed of seventeen members, of whom four shall be named from "'the Province of Quebec by the Canada Pacific Railway Company, four from the Province "'of Ontario by the Interoceanic Railway Company, and the remainder by the Govern-"'ment; the amalgamated Company to have the powers specified in the tenth section of "'the Act, incorporating the Canada Pacific Railway Company, &c., the agreement of "'amalgamation to be executed between the companies within two months from this "'date.

"'The Canada Pacific Company might take the initiative in procuring the amalga-"'mation; and if the Interoceanic Company should not execute an agreement of amalga-

"'mation upon such terms and within such limited time, I think the contemplated "'arrangements should be made with the Canada Pacific Company under its charter.

"'Upon the subscription and payment on account of stock, being made, as required "'by the Act of last session, respecting the Canadian Pacific Railway Company, I have no "'doubt but that the Governor in Council will agree with the Company for "'the construction and working of the Canadian Pacific Railway with such "'branches as shall be agreed upon, and will grant to the Company all such sub-"'sidies and assistance as they are empowered to do by the Government Act. I believe "'all the advantages which the Government Act empowers the Government to confer "'upon any Company will be required to enable the works contemplated to be successfully "'carried through, and I am convinced that they will be accorded to the Company to be "'formed by amalgamation, or to the Canada Pacific Company, as the case may be. "'I would add that as I approve of the measures to which I have referred in this "'letter, I shall use my best endeavours to have them carried into effect.

"'Very truly yours,

"'(Signed,) GEO. E. CARTIER.'

"I positively declare that up to the date of this letter I had not any undertaking of "any kind or description with the Government, either directly or through any other "person than that contained in Sir *John Macdonald's* telegram of the 26th July, which is "given above; and that telegram and the above letter from Sir *George Cartier* contains "everything that was over stated or agreed to between any Member of the Government "and myself on the subject of the Pacific Railway project up to that date.

"On the same day that I received the above letter from Sir *George Cartier*, I informed "Sir *John A. Macdonald* of the contents of it, and asked for his sanction of the views "which it contained. But he declined to concur in the terms of Sir *George's* letter, "telegraphing to him that he would not agree to them, and that he would come down to "Montreal, and confer with him respecting them.

"Thereupon I immediately informed Sir *George Cartier* that I should consider the "letter addressed to me as being withdrawn. And to my knowledge Sir *George* tele-"graphed Sir *John* that he had seen me and that as he (Sir *John*) objected to Sir *George's* "letter, it had been withdrawn. I also telegraphed to Sir *John* on the same day (July "31st) to the effect that I had seen Sir *George Cartier*, and that he (Sir *John*) might "return my letter or regard it as waste paper, and that I was satisfied with the telegram "of the 26th as expressive of the views of the Government.

"I positively and explicitly declare that, excepting so far as an understanding "between the Government and myself is expressed in the foregoing correspondence, I had "no agreement of any kind or description either verbally or in writing by myself or "through any other person in respect of the contract for the Pacific Railway, or of any "advantage to be conferred upon me in respect of it. The terms of the Charter, the "composition of the Company, the privileges which were to be granted to it, the propor-"tions in which the stock was to be distributed, having been matters for negotiation and "settlement up to the last moment; and were only closed and decided upon while the "Charter was being prepared in the early part of the present year. And the persons who "finally composed the company were only decided upon within a few days of the issue of "the Charter; I myself being permitted to subscribe only a similar amount of "stock to that subscribed by other prominent members of the Company.

"With reference to certain private and confidential letters published this day in the "Montreal *Herald*, and to certain statements in these letters which may appear to "conflict in some degree with the foregoing, I must, in justice to myself, offer certain "explanations. I desire to state with regard to those letters that they were written in "the confidence of private intercourse in the midst of many matters engrossing my "attention, and probably with less care and circumspection than might have been bestowed "upon them had they been intended for publication. At the same time, while in some

"respects these letters are not strictly accurate, I conceive that the circumstances, to a
"great extent, justified or excused the language used in them.

"With regard to the reference repeatedly made in those letters to the American
"interest in the stock of the Company, as I have already stated, I had made an agreement
"with the parties to whom those letters were addressed, associating myself with them in
"a Company projected for the construction of the Pacific Railway. I had never been
"informed by the Government that it was their intention not to permit the association of
"foreigners with Canadians in the organization of the Pacific Company. And in consent-
"ing to the legislation introduced into the House, I thought I was only deferring to a
"prejudice which I myself considered without foundation. I did not hesitate to intimate
"that if a suitable opportunity offered, they should be permitted to assume a position in
"the Company, as nearly like that which they and I had agreed upon as circumstances
"would permit. And as I entirely disbelieved the statements that were made as to their
"disposition to obstruct the Canadian Pacific, and considered that they might be of great
"use in furthering its construction, especially in the event of a failure of the negotiations
"in England, I had no hesitation in placing myself individually in the position of favour-
"ing their admission into the Company if circumstances should permit of it. It was in
"that spirit that what is said in my private letters now published was written to the
"gentlemen to whom they were addressed, and if matters had taken such a turn as to
"permit with propriety of those intentions being carried out, I should have felt myself
"bound to adhere to them. But in point of fact, when the discussions as to the mode in
"which the Company should be formed were entered upon with the Government, late in
"the [illegible], I came to understand decisively that they could not be admitted, and I
"no[illegible]n of the fact, and that the negotiations must cease between us, by a letter
"whic[illegible] not been published in the *Herald* of to-day, but which was in the following
"terms:—

"'Montreal, 24th October, 1872.

"'My Dear Mr. McMULLEN.

"'No motion has yet (as far as I know) been taken by the Government in the
"'matter of the Pacific Railroad. The opposition of the Ontario party will, I think,
"'have the effect of shutting out our American friends from any participation in the road,
"'and I apprehend all that negotiation is at end. It is still uncertain how it will be
"'given (the contract), but in any case the Government seem inclined to exact a declara-
"'tion that no foreigners will have, directly or indirectly, any interest in it. But
"'everything is in a state of uncertainty, and I think it is unnecessary for you to visit
"'New York on this business at present, or at all, till you hear what the result is likely
"'to be.

"'Public sentiment seems to be decided that the road shall be built by Canadians only.

"'Yours truly,

"'Signed,) HUGH ALLAN.

"G. W. McMullen, Esq.,
"Picton, Ont.'

"Up to this period to which this statement extends the negotiation between the
"Government and myself had chiefly reference to effecting an amalgamation between
"the two Companies which were competing for the railway, upon the principle, as I
"understand, that the enterprise would require all the strength that could be obtained for
"it, and the united efforts of everyone interested in it. And that it would conduce
"greatly to its success if the persons, in the two companies, who together comprised most
"of the prominent men in the Dominion, could be induced to join their energies in press-
"ing forward the project.

"About this time, however, a memorandum was communicated to me which had
"been received by the Government from the Interoceanic Company, which appeared to
"destroy the prospect of amalgamation; and although the Canada Company endeavoured

"to remove the objections made by the Interoceanic Company, they failed in doing so, "and the idea of amalgamation was shortly afterwards finally abandoned. Thereupon "the Government informed me that it was decided that the contract should not be given "to either of the Companies alone, but that the Government would incorporate a new "Company if the prominent members of the two incorporated Companies, and any leading "Canadians who might be disposed to join them, and able to give assistance, could be "induced to subscribe the stock in the proportions which the Government had decided "upon, which proportions are those embodied in the Charter. And from that time the "efforts of all parties interested in the project were directed towards procuring the "association together of the most prominent men of both Companies in the new Company, "to be incorporated under the terms of the Government Act of the previous Session. And "it was as the result of these efforts that the present company was formed, composed in "a majority of instances of gentlemen with whom I had no communication whatever, "and not in any respect as the consequence of any understanding between myself and the "Government.

"'From that time also, communication between myself and my former associates "'ceased, having finally been broken off by myself as soon as I ascertained the desire of the "'Government. And I state further, positively, that no money derived from any fund or "'from any of my former American associates was expended in assisting my friends "'or the friends of the Government at the recent general elections.

"'That with regard to the construction which appears to be intended to be placed "'upon the statements in the letter referred to as to the preliminary expenses connected with "'the Charter, I state most positively and explicitly, that I never made an agreement or "'came to any understanding of any kind or description with the Government, or any of "'its members, as to the payment of any sum of money to any one, or in any way what "'ever, in consideration of receiving the contract for the Canadian Pacific. I declare that "'I did expend considerable sums of money in various ways which appeared to me to be "'advantageous to the Company I had organized, and calculated to strengthen my hands "'in endeavouring to obtain the contract for that Company, but that I did not, on any "'occasion, or in any way pay, or agree to pay anything whatever to any member of the "'Government, or to any one on behalf or at the instance of the Government, for any "'consideration whatever, in connection with the Charter or contract. As may be "'gathered from the letters in question, I considered it to be my policy to strengthen my "'position as far as I possibly could with my own friends and fellow-citizens in the Pro-"'vince of Quebec, and more especially in so far as related to the Montreal Northern "'Colonization Railway, which I conceived would at some day be the outlet from the "'Canadian Pacific to the Port of Montreal. And a considerable portion of the money "'referred to in those letters was expended by me in furtherance of that project in many "'ways. I considered it for my interest also that those Members of Parliament who had "'shown an interest in the Canadian Pacific enterprise and in other railway enterprises "'in which I was interested, and who were disposed to assist and further them, should be "'aided in their elections, and I subscribed some money and lent some money to assist "'the election of such persons as were my friends and in whom I was interested, but "'without any understanding or condition with them or any of them as to Parliamentary "'support or assistance in the event of their election. In these and similar ways I ex-"'pended sums of money approaching in amount those mentioned in those letters, as I "'conceive I had a perfect right to do; but I did not state in those letters, nor is it the "'fact, that any portion of those sums of money were paid to the Members of the Gov-"'ernment, or were received by them or on their behalf directly or indirectly as a consid-"'eration in any form for any advantage to me in connection with the Pacific Railway "'contract.

"'I desire also to state further with regard to the envelope and the papers which it "'contains, which were placed in the hands of the Hon. Mr. *Starnes* shortly before my "'departure for England with the delegation of the Pacific Railway, that upon being in-

" 'formed by me that all negotiations between my former American associates and myself
" 'on the subject of the Canadian Pacific Railway must cease, large demands were made
" 'upon me by Mr. *McMullen*, based partly upon alleged expenditure by him, and partly
" 'upon a claim by him for compensation for his loss of time and services in the promo-
" 'tion of the enterprise so long as he and his friends remained connected with it. These
" 'demands at first were of such an extensive character that I declined altogether to en-
" 'tertain them. I was disposed to return to my American associates any money which
" 'they might have expended in the matter, and I was ready to compensate Mr. *McMullen*
" 'for the loss of his time and his expenses; but it appeared to me that the sum he de-
" 'manded was much greater in amount than all such disbursements and expense could
" 'possibly have reached. I felt naturally that by trusting to the honour of my correspon-
" 'dents and writing to them in a manner somewhat inconsiderate, I had placed it in their
" 'power to annoy me by the publication of those letters, and I feared that the outcry
" 'which might follow their publication in the columns of certain papers which have man-
" 'ifested unceasing hostility to the Canadian Pacific Railway, might injure the prospects
" 'of the delegation in England. I therefore authorized an arrangement to be made with
" 'Mr. *McMullen*, by which a sum very much less than his original demands should be
" 'paid to him; the greater portion at once, but the remaining and a considerable portion
" 'on the delivery of the letters to me after the present Session of Parliament, should they
" 'not be published in the interval. This was accordingly done. Mr. *McMullen* received
" 'the greater part of the sum agreed to with him, and the remainder was placed in one
" 'of those envelopes in the form of a cheque, the other envelope containing, to the best of
" 'my belief, the same letters which have been published in the Montreal *Herald* this
" 'morning, together with one or two others, which do not appear there, but which would
" 'have established the rupture of all negotiations beetwen the Americans and myself.
" 'And this arrangement was made, on my behalf, with Mr. *McMullen*, without the con-
" 'currence or knowledge of any Member of the Government,—none of whom were aware
" 'that the papers had been deposited in the hands of Mr. *Starnes*.

" 'And I have signed,

" 'HUGH ALLAN.

" 'Sworn before me at Montreal, this fourth day of July, 1873.
" 'J. L. Beaudry, J.P."'

(Enclosure No. 5.)

STATEMENT BY MR. McMULLEN, WITH DOCUMENTS, &c., &c.

(From the Montreal Herald.)

" '*To the Editor of the Montreal Herald:*

" 'SIR,—So much has been of late said about myself, and my connection with the
" 'Pacific Railway negotiations, that I think it better to lay a full statement of my position
" 'in regard to it before the public than to longer allow myself to be placed in so many
" 'wrong situations, by those who are of necessity ignorant of many important facts. I
" 'have chosen, therefore, to place it in the form of an historical narrative, embracing the
" 'incidents that came under my own knowledge from the time I first engaged in the
" 'matter until the granting of the Charter by the Government to its present holders.

" 'I visited Ottawa in March, 1871, on a Chicago delegation connected with the
" 'enlargement of the canals, and while there met the late lamented Mr. *Alfred Waddington*

"'and Mr. *Wm. Kersteman*, who were agitating the subject of a Canadian Pacific R. R., "'and who introduced the matter to my notice, with a view to organize a Company to "'build the proposed road. After looking at the surveys and explorations of Mr. "'*Waddington*, who was well informed on the physical nature of the Pacific coast, I con- "'cluded to take the subject before some friends with a view to its serious consideration. "'In a few weeks, at my request, Mr. *Waddington* and Mr. *Kersteman* visited Chicago, "'and the result was, on their representations, that with my friends I proposed to organize "'a Company which would undertake to build the road, on terms approximating those "'which current rumour reported the Government as willing to recommend to Parliament. "'We visited New York and Philadelphia shortly afterwards, and in about six weeks later "'(being early in July, 1871,) we visited Ottawa with an informal proposal from parties "'of the highest respectability for undertaking the work. The only members of the "'Government whom we met were Sir *John A. Macdonald* and Sir *Francis Hincks*; and "'it speedily became apparent to myself and associates that Mr. *Waddington* had been over "'sanguine in his ideas that the formation of a Company would be entrusted to his hands. "'After some conversation which tended to make this clear, and which intimated that the "'Government would wish to incorporate prominent Canadian names in any company "'undertaking the work, we left our address with the two Ministers, with the understand- "'ing that if occasion for it arose we were to hear from them. Some few weeks afterwards "'Mr. *Chas. M. Smith*, of Chicago, who was my colleague in this matter, received a letter "'from Sir *Hugh Allan*, stating that Sir *Francis Hincks* had requested him to communicate "'with us in order to effect a union of Canadian and American interests in the Pacific "'Railroad Company that was to be formed.

"'I afterwards found that Sir *Francis Hincks* had visited New York in the early part "'of August, 1871, and at interviews with two prominent railway bankers, whose names "'will readily occur to him, had advised them and their associates to cease negotiations "'through Messrs *Smith* and myself, and open them directly with Sir *Hugh Allan*, who, "'being a leading Canadian, was looked upon by the Government as a proper person to "'figure prominently in the matter. As the gentlemen applied to were both unwilling "'and unable to change existing arrangements, Sir *Francis*, on his return, seems to have "'given the address left with him in July to Sir *Hugh Allan*, and his letter to us followed. "'The result was an interview in Montreal, early in September, 1871, at which pre- "'liminaries were settled between Sir *Hugh Allan*, *Charles M. Smith* and myself, by which "'Sir *Hugh* was to receive a large personal interest in the stock, and an amount for distri- "'bution among persons whose accession would be desirable, and that the cash instalments "'on such stock should be advanced and carried by others in interest. An interview was "'held by myself with Sir *John A. Macdonald*, at the St. Lawrence Hall the day before "'we met *Allan*, at which he expressed the approval of the Government at the proposed "'meeting, and requested me to meet him at Ottawa, after it was over, to let him know "'the result. I accordingly went to Ottawa, and explained to him that Sir *Hugh* had en- "'tered into verbal arrangements which would soon assume a more formal shape, and that "'we had provided for the easy accession of such other Canadian gentlemen as would be of "'advantage. He seemed quite pleased with it, and promised, on communication with "'*Allan*, to set an early day for entering into preliminary arrangements with the Govern- "'ment, in order that the whole matter might be in shape for an early presentation to "'Parliament. Shortly afterwards, in accordance with this understanding, Sir *Hugh* "'notified Mr. *Smith* and myself to come, and we three met the Cabinet at Ottawa, Oct. "'5th, 1871, to settle, as we supposed, the general features of the scheme. There were "'present Sir *John A. Macdonald*, Sir *Francis Hincks*, Sir *G. E. Cartier*, and Messrs. "'*Tilley, Tupper, Mitchell, Morris, Aikins* and *Chapais*. It was at once apparent that "'they were not fully in accord among themselves, in consequence, as Sir *F. Hincks* in "'formed me, of Grand Trunk jealousy of *Allan*, represented by the important personage of "'Sir *George Cartier*. The settlement of matters had, therefore, to be postponed until the "'return of Sir *Hugh Allan* from England, he sailing on October 7th, and returning the

"'1st of December. Mr. *Smith* and I proceeded to New York to inform our friends of "'the status of affairs. It was then that we first learned of the visit of the Financé "'Minister, which I have heretofore narrated, and it was also then that Sir *Hugh's* first "'telegram of the published correspondence was received.

"'After the return of Sir *Hugh Allan* from England, he telegraphed to Mr. *Smith*, of "'Chicago, that Sir *Francis Hincks* had called and suggested that the Government would "'be obliged to advertise for tenders in order to avoid blame, so that the conclusion of an "'agreement would have to be postponed for several weeks, but suggesting that we have "'a meeting in Montreal, and afterwards in New York, to execute the contract which was "'to follow our verbal understanding. Mr. *Smith* and myself accordingly left Chicago on "'December 15th, 1 71, and after visiting Montreal and closing all preliminaries with "'*Allan*, we went with him to New York, where the contract was signed by all the parties, "'under date of December 23rd, 1871. A variety of topics were discussed at interviews and "'by correspondence, during the winter, and the delays of the Government explained by the "'exigencies of the political situation. While at first Sir *Hugh* had announced that no money "'would be required for such purposes, yet he soon professed to discover that it would be "'necessary to provide some, to aid in procuring the closing of the arrangements. He at "'one time announced to Mr. *Smith* and myself that the $8,5 0, of which he speaks in "'one letter, had been lent to Sir *John A. Macdonald* and Sir *Francis Hincks* in sums of "'$4,000 and $4,500 respectively, 'with very good knowledge that it was never to be "'repaid.' He also explained that the Finance Minister was taking a great deal of "'interest in the matter, and that he had sounded him on the extent of his personal "'expectations, when it reached an assured conclusion. He said Sir *Francis* had replied "'that at his time of life an absolute payment would be preferable to a per-centage of "'ultimate profits, and thought he should have $50,000, and in addition the position of "'Secretary to the Company for his son, at a salary of not less than $2,000. My reply "'was, that I supposed, as we were into the matter, we would have to meet, in some "'way, such demands, if we expected to proceed, but that large amounts could not be "'disbursed on uncertainties. As the Session approached, however, Sir *Hugh* made "'application for money, and on March 28th, 1872, a supplementary contract was entered "'into by which a committee of five were appointe', Sir *Hugh* being chairman, who were "'authorized to provide funds. This contract also covered a change in terms to meet the "'views, as Sir *Hugh* represented, of the Government, and empowered this committee to "'agree to the acceptance of $30,0 00,000 and 50,000,000 acres of land, exactly the amount "'the Government recommended, and exactly the amount he then told us they would "'recommend if we would accept. A levy of $50,000 was made on the American parties, "'April 1st, 1872, and the amount placed to the credit of Sir *Hugh*. He drew $40,000, "'as follows: $15,000 by check, dated May 2nd, 1872, and paid May 4th, 1872; and "'$25,000 by check, dated May 3rd, 1872, and paid June 6th, 1872. The only expla- "'nations which he made to me of the expenditure of this sum were the payment of "'$4,000 to *La Minerve* newspaper, and $3,000 each to three other French papers, "'whose names I cannot positively remember; $6,000 to Attorney-General Ouimet "for aid rendered at Ottawa, and an indefinite loan of $10,000 to Sir *F. Hincks*. "I attended during the Session of 1872, and assisted in the passage of the Canada Pacific "Railway Charter; and at its close paid the charges under the Private Bills regulations "for the Charters of it and the Canada Improvement Company—a Charter which we "suggested to Sir *Hugh* and Mr. *Abbott*, as a necessary attendant on the railroad legisla "tion. In addition to the payments spoken of, Mr. *A bott* was authorized to promise Mr. "*Langevin* $25,000 to aid in elections about Quebec, n condition of his friendly assist- "ance, and Mr. *Abbott* reported that he had done so.

"Notwithstanding the repeated pledges we had received, and the apparently strong "position we occupied, both Sir *Hugh* and myself had grave fears of the result, in conse- "quence of the position taken by Mr. *Macpherson* and his friends, and the animosity of "the Grand Trunk R... ... to Sir *Hugh* himself. I met Sir *John A. Macdonald*

"in Montreal, after the close of the Session, while on his way to meet Lord *Dufferin* at "Quebec, and he suggested that, as *Allan* had made so many enemies, I should go to Mr. "*Macpherson* and try to bring about an amalgamation, promising to write a personal "letter to Mr. *Macpherson*, to aid in the desired object. Sir *Hugh* and Mr. *Abbott* how-"ever, both dissuaded me from doing so, as it would afford a pretext for the Interoceanic "Company to raise the American bugbear, which they had been trying to allay, and they "promised to take the responsibility with Sir John of my failure to do as agreed.

"I then went to Chicago to await developments, and in July, under date of the 16th, "I got a letter from *Allan*, which seemed quite discouraging in tone, as he said Sir "*G. E. Cartier* told him they never intended dealing with either our Company or Mr. "*Macpherson's*, but would form a new one entirely, under the control of the Government. "But Sir *Hugh* added that the elections were approaching, and then his French friends "would make their power felt, and *Cartier* must either yield to Lower Canada wishes, or "else he stood a poor chance to be elected. On August 6th, he wrote again, stating that "he had brought about what he wished, as the Government had been forced to come to "him, and he had secured an agreement for a majority interest in the Company about to "be formed to build the road, but that to do this he had to advance a large amount of "money, some $200,000 already, and over $100,000 more still to be paid, and wanting to "know what the New York friends would do. On the 16th September he wrote again, "stating that he had learned of the absence of several of our friends from New York, and "that therefore a meeting could not be held until November 15th, which was very "unsatisfactory, as he was to have the contract signed within say ten days, and wanted "at once thereafter to go to England to raise money. He stated his expenditure to that "time as $443,000 *gold*, with $13,500 more to pay, and he urged speedy arrangement for "refunding this. I visited Montreal shortly after the receipt of this letter, to ask him "further particulars for the guidance of our friends, who were somewhat startled at the "magnitude of the figures, and who proposed to have some reasonable explanation of how "the money had been expended before they returned it to Sir *Hugh*. I reached Montreal "about October 1st, and at the interview which followed, Sir *Hugh* reiterated, and "explained the statements in his later letters. He said Sir *George Cartier* had been "very loath to realize the fact that he held the controlling French influence, subject to a "satisfactory disposition of the Pacific Charter, but that after a while Sir *George* "did come to believe it, and, much against his will, consented to yield his prejudices, "and give *Allan* the control, with, however, certain provisions about Americans, "which would be more of an apparent than real objection, and on the under-"standing that Sir *Hugh* should advance money to aid the election of Government "supporters. After having Sir *George* sign an agreement, as stated in letter of Aug. 8th, "he commenced paying money, but, as he told me, having *Cartier's* order in each case, and "taking a receipt therefor. When making the agreement he had no idea that the amount "of money would be excessively large, and when it had run up to between $190,000 "and $200,000, he became alarmed, and told *Cartier* that he must stop paying the drafts "which were coming in so rapidly unless the whole Government would sanction the "bargain. He then stated that Sir *George* sent to Ottawa and received a telegram from "Sir *John A. Macdonald* confirming his action. After this *Allan* said he proceeded paying "until he had advanced $358,000 in addition to $40,000, drawn from New York. I pro-"mised to submit his statement to my friends, in New York, and leave the matter for "them to decide.

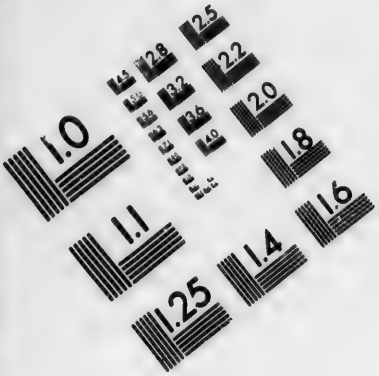
"The next word I had was that he thought he must dissolve all connection with "Americans, in a letter dated Oct. 24. I replied in a few days after, protesting strongly "against such action, and in return received a brief letter dated Nov. 11th, in which he "stated that he was in entire ignorance of the whole intention of the Government.

"In December I got an urgent letter and telegraph, requesting me to meet him at "Toronto or Montreal, but not stating the object. I went to Montreal and had an "interview on December 24th, when he announced a final close of any arrangements with

"Americans, with an utter repudiation of any obligations he was under to them, and "stated that he had written to New York, to the effect that he could not continue "his arrangements, and must break them entirely off. I protested strongly against such "conduct, and referred to the contracts we had entered into, and the long association "existing, as well as the uniform good faith evinced by our party, stating that I deemed "it only honourable in him to insist on the original agreement, or else to retire himself "from the proposed Company. When this was refused, I announced my intention of "going to Ottawa to lay the matter before Sir *John A. Macdonald* On the 31st Decem- "ber, I had an interview of some two hours' duration with Sir *John*, and placed him in "possession of all the facts, and showed him the letters which I had from Sir *Hugh* in "regard to the matter, as well as the original contracts and the letters to the New York R. R. "President, which were recently published in connection with other correspondence. I "pointed out to Sir *John* the allegations made by Sir *Hugh* as to his agreements with the Govern- "ment, and narrated to him all the leading facts I have given here. He strenuously denied "that the Government had been bribed, and I pointed out that if not, then our Canadian "associate must be a swindler in attempting to get refunded nearly $400,000, which he "had never laid out. I then requested him to do one of two things—either to allow our "original arrangement to be carried out, or else to leave Sir *Hugh* out of the Government "Company, since we did not propose to be a stepping-stone for his personal advancement. "Sir *John* said the Government arrangements had gone so far that he feared they could "do neither, and said that from *Allan's* memorial in answer to the Interoceanic Company, "and from the assertions since the Session they had supposed he had entirely broken off "with us. I showed the most conclusive evidence—*Allan's* own letters—that such was "not the case, and said if the Government were not in his power, as he stated, they "could better afford to take all the risk of his omission from the Company than to face "the public when they knew all the facts, as they certainly would, if *Allan* was put in "and allowed to break his sacred obligations with his associates—associates to whom the "Government had directed him, and who dealt unreservedly with him in the express "belief that he was the chosen representative of the Government, and who had the best "of reasons for such belief. He requested a delay of a few days or more to enable him "to communicate with Sir *Hugh* and Mr. *Abbott*. On the 23rd of January last, I again "saw Sir *John*, at which time two of my friends accompanied me. We then went over "the ground again, and added the letters which appeared as addressed to Mr. *Smith*, and "after the interview, I gave Sir *John*, at his request, copies of all these documents, Sir "*Hugh Allan's* checks for the $40,000, and the receipts of Mr. *Todd* for the Private Bill "expenses of the Canada Improvement and Canada Pacific Railroad Companies paid by "me, which must have been strange reading to him when compared with the memorial "of the Executive Committee of the said C. P. Railroad Company, signed by *Hugh Allan* "*J.J. Abbott*, and *Louis Beaubien*, then in his possession, in which the following remark- "able passage occurs, under date October 12th, 1872, whichmemorialwas presented to "Parliament during the present Session :—

"'With regard to the assertion that a belief 'exists everywhere' that the Canada "'Company still intend to carry out the design of the combination with American capital- "'ists, it is only necessary that the gentleman who say so, no doubt speak truly as to "'some limited circle with which they are in immediate communication. But the Canada "'Company emphatically deny that beyond such a limited circle any such belief, or even "'any idea, of such a state of things is entertained.

"'The Canada Company are aware that a negotiation was commenced during the "'summer of eighteen hundred and seventy-one, between Sir *Hugh Allan* and certain "'American capitalists for the formation of a Company to construct and run the Canada "'Pacific Railway; but they are informed by Sir *Hugh Allan*, and have satisfied them- "'selves by a full enquiry into the circumstances and details of the negotiation, that it "'was not initiated by Sir *Hugh*, and that it was commenced and supported by influential "'persons in Canada, as being the only combination that offered itself at that time for



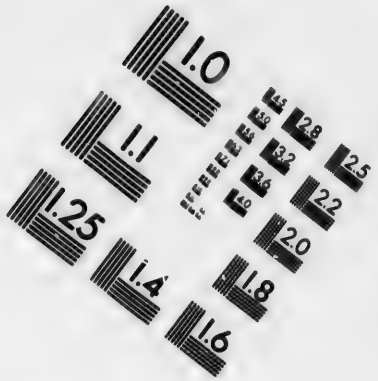
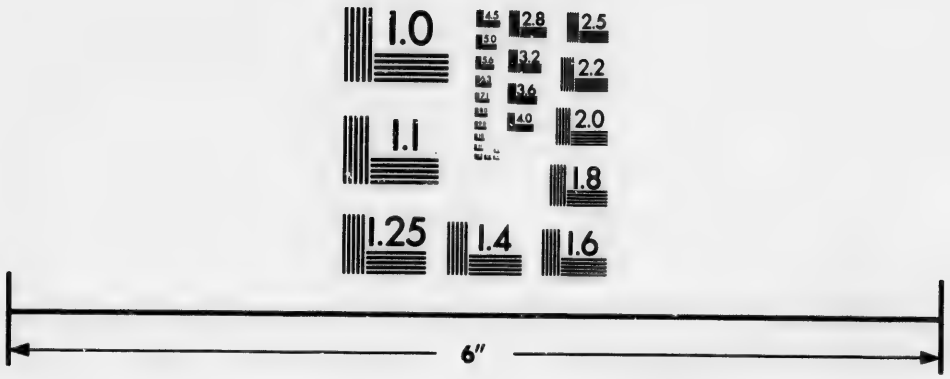
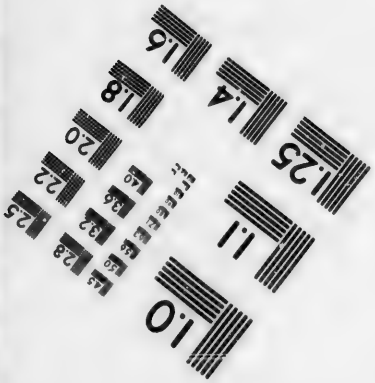
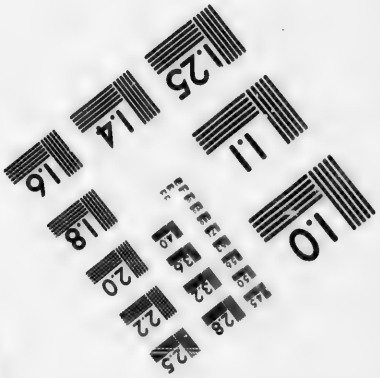


IMAGE EVALUATION TEST TARGET (MT-3)







Photographic Sciences Corporation

23 WEST MAIN STREET
WEBSTER, N.Y. 14580
(716) 872-4503

"'the construction and running of the road; but they are satisfied that that negotiation "'never possessed the character attributed to it by the Interoceanic Company; and they "'know that Sir *Hugh Allan* would never have consented to embark with foreign capital- "'ists in a Canadian enterprise in which he takes so great an interest, without the most "'perfect securities and guarantees for its control and conduct in the interest of Canada. "'But the discussion of the negotiation is entirely foreign to the proposition now being "'considered. That negotiation terminated when Sir *Hugh Allan* engaged with others in "'the formation of the Canada Company, and it has never been renewed.

"'The Canada Company never participated in that negotiation, and never considered "'or entertained any proposition, suggestion, or intention of asking aid from American "'capitalists or of combining with them for the prosecution of the Railway, or for any "'other purpose. The only negotiations they have carried on are those already alluded "'to with British capitalists, and they have never even communicated on the subject of "'the railway with any one outside of Canada or Great Britian.'

"Sir *John* requested us to meet *Abbott* and *Allan* in Montreal, and arrange some- "thing satisfactory. Sir *Hugh* had gone to New York, and while there had called on our "friends and assured them that he would still keep good faith with them. While I had "the strongest reasons for doubting such assurances, and though subsequent occurrences "have confirmed these doubts, yet at their request I desisted from pushing matters against "him, further than to procure a settlement of personal outlay and loss, and that of my "friends who were with me, a loss directly entailed by his duplicity.

"This narrative embraces all the leading facts relating to my connection with Sir "*Hugh Allan*, and mainly of my efforts and operations concerning the Pacific Railway; "but as a matter of course, there were numerous negotiations of a nature relating to it, "which seem unnecessary to detail, unless further occasion should arise. But these facts "would all tend to confirm the general points herein stated, and they are such as would "occur inevitably in the midst of such prolonged and important negotiations.

"Yours, &c.,

"GEO. W. MCMULLEN.

"*P.S.*—I append authenticated copies of documents bearing on this case, which will "explain the manner of doing the business."

"'MONTREAL, August 24, 1872.

"DEAR MR. ABBOTT:

"'In the absence of Sir *Hugh Allan*, I shall be obliged by your supplying the Central "Committee with a further sum of twenty thousand dollars upon the same conditions as "the amount written by me at the foot of my letter to Sir *Hugh Allan* of the 30th ult.

"'GEORGE É. CARTIER.

"*P.S.*—Please also send Sir *John A. Macdonald* ten thousand dollars more on the "same terms."'

"Received from Sir *Hugh Allan* by the hands of Hon. *J. J. C. Abbott* twenty "thousand dollars for General Election purposes, to be arranged hereafter according to "the terms of the letter of Sir *George E. Cartier*, of the date 30th of July, and in accor- "dance with the request contained in his letter of the 24th instant.

"Montreal, 26th August, 1872.

"(Signed) J. L. BEAUDRY,
" HENRY STARNES,
" P. S. MURPHY.

"For Central Committee.

"L. BETOURNAY."

"'TORONTO, August 26th, 1872.

"'To the Hon. J. J. C. ABBOTT, St. Anne's :—

(Immediate, Private.)

"'I must have another ten thousand; will be the last time of calling; do not fail me; answer to-day.

"'JOHN A. MACDONALD."'

"'MONTREAL, 26th August, 1872.

"'Sir John A. MACDONALD, Toronto :—

"'Draw on me for ten thousand dollars.

"'J. J. C. ABBOTT."'

"'TORONTO, 26th August, 1872.

"'At sight, pay to my order, at the Merchants' Bank, the sum of ten thousand dollars for value received.

"'JOHN A. MACDONALD."'

"'To Hon. J. J. C. ABBOTT.

"This draft was endorsed thus :

"Pay to the order of the Merchants' Bank of Canada.

"'JOHN A. MACDONALD,"'

"MONTREAL, July 15th, 1873.

"'Hon. A. B. FOSTER,

"MY DEAR SIR: I submit for your perusal a statement I propose publishing to "the people of Canada as to my connection with the Pacific R. R. My reason for doing "so is, that I have been subjected to the vilest slanders at the hands of the Ministerial "press, of which you are aware. The abundance of such abuse makes it imperative "that I should show what the real facts were, and as you and I have had a friendly "association in the matter, and you are personally cognizant of many facts, I ask you "to give me a letter relating thereto, and containing whatever may be within your recol-"lection as to the circumstances of the case.

"I think I am justified in asking you to do this, when my character has been so "viciously assailed.

"Your reply will be gratefully received by me, and put me under lasting obligations.

"Very truly yours,

"G. W. MCMULLEN."

"WATERLOO, July 16th, 1873.

"G. W. MCMULLEN, Esq.

"DEAR SIR,—I have had an opportunity to look over the statement you make in "regard to your connection with the Canada Pacific Railroad, submitted to me for the "purpose mentioned in your letter of the 15th, and I have this much to say in regard to "it. With the first part of your history of the matter I am personally unacquainted, "as our intercourse did not begin until the opening of the Session of 1872, when we "were introduced by Mr. *Abbott*. My negotiations on the subject of the Pacific Railway "previous to that time had been with Sir *H. Allan* and Mr. *Abbott*, though from the "commencement I had been aware of the arrangements made with American parties "whom you represented. I was associated during the Session of 1872 with *Allan, Abbott* "and yourself in all the stages of procuring the Charter of the Canada Pacific Railroad "Company, and in all the efforts made to secure to that Company the contract to build "the road, and as a consequence was familiar with many points naturally arising there-

"from. I discussed with you my personal position under the proposed arrangements "and with yourself, *Allan* and *Abbott* all the main features of the legislation proposed, "and such as were deemed necessary for the object. As you state, there were difficulties "in the way of closing matters, and I was aware of the agreement with Mr. *Langevin* "to which you refer, as it was frequently discussed between us and Mr. *Abbott*. I "was also aware from the first of Sir *George Cartier's* opposition to Sir *Hugh Allan*, "and of the means by which Sir *George* was forced to forego his opposition.

"In regard to the payment of money for election purposes, I was informed of the "arrangement with Sir *George Cartier*, and was also shown a confirmatory telegram from "Sir *John A. Macdonald*. I understand the affair to be substantially as you have "related, and I have reason to believe that large sums of money were actually expended "for election purposes under the arrangement.

"Yours truly,

A. B. FOSTER."

(Enclosure No. 6.)

MEETING OF MEMBERS OF PARLIAMENT IN OTTAWA.

(From the *Montreal Herald.*)

"The gentlemen opposed to prorogation held a meeting in the Railway Committee "room, immediately after prorogation.

"Hon. *L. H. Holton* said he thought it would be proper for the deputation who had "carried the memorial to the Governor General to report the result. That memorial had "been signed by ninety-three Members, which were a clear majority of Members who "were usually in attendance in the House. It was a memorial only praying him to stay "his hand so as not to prevent the House of Commons from inquiring into the most "stupendous political and electoral frauds which had ever hitherto been heard of. (Loud "cheers.) The practical result was that in the reply this memorial had been scorned by "the representative of the Crown. The worst possible insult had thus been put upon "Parliament by a Governor General, acting on the advice of men who were themselves "under impeachment for crimes which almost amounted to treason.

"Mr. *Cartwright* said, as Chairman of the Committee, that the memorial had been "received by the Governor General in a very courteous way, and with the remark that it "was drawn in a very proper manner, and that he also sympathized very much with the "feelings of the gentlemen of the deputation, but that he was obliged to act upon the "advice of the Members of his Government. He said also that he had named a Royal "Commission, consisting of three legal gentlemen, and would summon Parliament to meet "again in the course of about two months. With respect to the Oaths Bill, his "Excellency stated that his Ministry were not to blame for its disallowance. He also "said that he had to decline to accede to the prayer of the petition, because, unless he did

"so, he must first dismiss his Ministry, which would imply a conviction of their guilt.
"His Excellency, however, had expressly requested that there should be no formal publi-
"cation of his reply until he had delivered it in writing. Mr. *Cunningham* had stated to
"His Excellency that the deputation considered that the prorogation would be an infringe-
"ment of the privileges of Parliament, but that point, of course, His Excellency did not
"discuss.

Mr. *Cunningham* (Manitoba) said that when His Excellency spoke of dismissing his
"Ministers, he (Mr. C.) stated that the ninety-three Members who had signed the
"memorial considered that the accusations against the Ministry were before the House of
"Commons, not before His Excellency; and that until they were brought before him, he
"had no right to issue a Commission or to take any other step in connection with them.

"Messrs. *Burpee* and *Church* confirmed these statements.

"Mr. *Paquet* also added that His Excellency had made an exposure of facts exactly
"as they had been made in the Ministerial journals; and had said nothing but what had
"been said there, except that the advice he was going to adopt was given by his advisers
"unanimously. He had also remarked, that it was impossible for Parliament to proceed
"to business, since, in consequence of the understanding arrived at neither the Members
"from Manitoba, nor those from British Columbia, were present; and he was answered
"by pointing to Mr. *Cunningham*, and by the assurance that Manitoba was fully repre
"sented. There was, however, no difficulty about seeing on which side His Excellency
"leaned.

"Hon. Mr. *Cauchon* said that although at the end of the meeting of the House, Mr.
"*McKenzie* had invited those opposed to prorogation to assemble here, he understood
"there were numbers on the other side who would have gladly been here to protest
"against the course pursued; but, that they were afraid of their party. He disclaimed
"the idea that this was in any way a party meeting. (Hear, hear.) Every Member had
"been invited to be present, and act in unison on the subject. They would all get a fair
"hearing, and might express themselves as they felt. (Cheers.) In whatever way the
"meeting might decide, the feelings of all would be respected. (Applause.)

"Mr. *Laflamme*, who was loudly called for, said he did not think it his place to
"address them on the subject; it was more fitting that older politicians should do it.
"All must feel the outrage which had been perpetrated. (Hear, hear.) It was no
"question of party. The question now was, whether free government, and free enquiry,
"really existed, such as they well knew was embraced within the British Constitution.
"On this account, the question being so vast and important, he should leave it to older
"politicians than himself to discuss. He denied that the Committee could not proceed
"with the investigation, and affirmed that neither the people nor their representatives
"would submit to being deprived of the rights, liberties and privileges which belonged
"to them as British subjects. (Applause) As far as he knew, a Royal Commission was
"altogether unnecessary, as the question before them was one which involved the purity
"of Parliament. As he had before said, this was a proper subject for the older members
"to discuss. As for himself, he had to-day felt like a Frenchman, as his blood fairly got
"up at the outrage and insult which had been perpetrated on the people and their repre-
"sentatives. (Hear, hear.) He should defer from further speaking in order to make
"way for the leader. (Cries of *Blake* and *McKenzie*.)

"Mr. *Blake* urged that it would be well that Mr. *McKenzie's* speech, which had been
"so rudely interrupted in the House, should first be completed.

"Mr. *McKenzie* said he had so much difficulty in the House in offering his motion,
"he had almost lost his voice. In addition to what Messrs. *Cauchon* and *Laflamme* had
"said he would remark that ninety-four Members of the House had signed the memorial
"of remonstrance to the Governor General. (Applause—A voice, "It is now ninety-
"five!") In addition to those who had thus declared themselves, there were numbers of
"Conservatives who felt just as strongly as they did, that this prorogation was an im-
"proper act under existing circumstances. If they had not signed this petition of

"remonstrance it was because they had themselves sent a remonstrance. (Hear, hear.)
"It was well understood that some of the Conservatives who had signed the larger petition
"had acted more or less with us, but those to whom he had previously referred, were
"outside of that number. No one could contemplate the recent high handed proceeding
"without feeling it to be a gross outrage, which must not be permitted. (Hear, hear.)
"He was quite aware that in times like these, when outrages were consummated by
"Government, that persons sometimes expressed themselves more strongly than prudence
"and the circumstances justified; but in this case an attempt had been made to sap the
"very foundations of the independence of Parliament. (Applause.) Since he had sat in
"Parliament he had ever kept in view all legislation which should have a tendency in
"the direction of Parliamentary independence; but in this instance, to screen Ministers
"from a charge of the grossest corruption, of which a good *prima facie* case had been made out
"—it was attempted to violate that independence. (Applause.) He had no doubt that
"from his point of view, the Governor General was right when he said that he was
"bound to take the advice of his advisers; but we had one English writer—an authority
"both on law and history—who had said otherwise; this writer, *Goldwin Smith*, said
"plainly in a letter in the *Witness*, as well as in an article in the *Canadian Monthly*, that
"the members of the Committee of Inquiry were right in refusing to allow it, without
"the authority of the House, to be turned out of doors by a Royal Commission appointed
"by the parties accused. He takes the ground that the Ministry are not in a position to
"advise His Excellency as to a prorogation or commission, but must take the prerogative
"into his own hand. (Hear, hear.) It must be borne in mind that Parliament had ap-
"pointed a Committee, whose operations were frustrated by agencies which were con-
"trolled by the Administration. (True, true.) He explained that the majority of the
"Committee were appointed by the Ministry themselves—the accused parties, who
"declined to take evidence without oath, whilst the majority were perfectly willing to
"have all the witnesses, even were they Ministers themselves, to be examined without
"this, not fearing that they would tell a lie. (Applause.) Matters were in this position
"when the Parliament met, as it had done to-day; constitutionally there was no necessity
"for swearing witnesses, merely to bring them under the punishment due to perjury if
"they committed: it this was because the House could deal with them as it pleased, and
"punish them if necessary, although they did not see the necessity for it. Members
"were willing to allow the Oath's Bill to pass. He had been also willing to allow
"evidence to be taken without the sanctity of an oath, as he believed that those who
"would tell a lie would have no objection at all to swear to it. (Applause.) While
"matters were in this state His Excellency's advisers had advised the Governor to pro-
"rogue the Houses, thus turning the people's representatives out of doors, without giving
"them an opportunity of discussing the matter, or the resolution which he had offered.
"In order to prevent this, the Usher of the Black Rod had been directed to wait at the
"door of the Chamber, and knock the very moment the members entered. This was to
"prevent discussion, and make it impossible to deal with his resolution. At length he
"got it into the hands of the Speaker, who was the constituted protector of the Members
"of Parliament. He was sorry to say, however, that it appeared to him that his
"authority was to be used otherwise; for he displayed unusual anxiety to prevent it
"reaching his own hands and to prevent its entrance on the Minutes. He desired to say
"that in this country, which was governed by Parliament, a cry would go out from end
"to end of the land against the indignity which has been put on it, and if the Govern-
"ment sought to escape from the consequences of their crime, they would find that their
"action only served to intensify the feeling. It now became the Members, as rulers of
"the country, to do nothing unseemly, but to take every step to maintain their dignity;
"and, at the same time, to use every legitimate and lawful means to obtain the opinion
"of the country. (A voice: 'That's the advice to-day.')

"Mr. *Blake* did not think that Mr. *Mackenzie* had left much room for him to say
"anything. Up to this, he had felt it his duty not to interfere at all in the matter, in

"the peculiar position in which he felt himself placed, and not to express an opinion on "the subject. Now the matter was changed, the functions of the Committee were at an "end, and he was no longer fettered by this consideration. He would now give them "explanations as to the course which he and his friend, Mr. *Dorion*, had pursued when in "Montreal, and the sentiments which had influenced them. They felt the position they "occupied on the second of July as one of no ordinary difficulty; they were anxious, and "they know the country had the same feeling, that the enquiry should be proceeded with "in the most expeditious and effective manner, but, after consideration, recognizing all "these things, they took the responsibility of declining to accept a Royal Commission. "They were aware that by accepting the Commission, the enquiry might at once go on, "but they felt they had a far higher duty to perform,—that from the House of "Commons they received their instructions, and it was for them to maintain the dignity "and independence of that body. As delegates of the people their duty was imperative, "and their instructions from the House were not withdrawn; and least of all were they "authorized to agree to a change of tribunal. The proposition for a Royal Commission "had been made in Parliament by the Premier several times, but no Member uttered a "word in favour of such a course; and the Chairman of the Committee, the Hon. *J. H.* "*Cameron*, had himself pointed out the inconvenience of it. These were so great that "the Premier abandoned the project on account of the feeling of the House; and that "feeling was sound. But the question to-day was infinitely greater than whether this "question was true or false. (Loud cheers.) The question now was whether the right "of Parliament to try Ministers for their crimes should be taken away. (Repeated "cheers.) Those Ministers had, in the representation of more than one hundred Members "of Parliament—for it appeared that several had made these representations who had "not signed the memorial, a number more numerous than had ever taken such a "step before—advised the Crown to prorogue. The petition was most moderate, as "the men who signed it asked merely that Parliament should have an opportunity of "expressing an opinion and taking order; asked only that it should have an opportunity "of giving advice. One reason given by His Excellency against proceeding to business "was the absence of the Members from Manitoba and British Columbia, but every Mem- "ber from Manitoba was present and had signed the petition, and one Member for "British Columbia could easily have been brought up from Montreal. But why were "these gentlemen not present? It was because instead of advising these representatives "to be here, the Ministry had advised them not to come. Ministers had first kept the "House empty, and then advised His Excellency that, not being full, it was not compe- "tent to proceed to business. But that need not have invited a prorogation. It might "have been met by an adjournment, though that might have given more cause of com- "plaint to gentlemen who had come, some of them eleven hundred miles to attend to "business; yet such was the public spirit of those who had thus attended, that he did "not doubt their willingness to tell the Ministers they would wait till they got their sup- "porters together. What might happen now? There was a sealed packet of papers im- "pounded in the hands of Mr. *Starnes*, and it was quite possible that, by the prorogation "of the House and the consequent dissolution of the Committee, those very important "papers might yet get into other hands. Perhaps what he now said might prevent that, "but yesterday the House had control of these papers, and two hours ago the control "had ceased. The Ministry would not have thus acted unless they had felt that delay "was all that they had to depend upon; delay that would give occasion, perhaps, for "loss of some important document, possibly for some death that would prevent the dis- "closure which they dread, for, assuming the published documents to be genuine, the "position of the Ministry, and of the country through their acts, was one of the deepest "disgrace and humiliation. It was now admitted that the claims of Sir *Hugh Allan* to "the Pacific contract were looked on unfavourably by a portion of the Cabinet but that "he set himself to procure Parliamentary and popular influences which he brought to "bear upon them, until he succeeded in extracting a promise which he considered to be

" satisfactory. Before obtaining that promise he had threatened to prevent some of them " from securing their re-election, and afterwards he assisted them, by his purse and influ- " ences, to corrupt the constituencies throughout the conntry. We know that very " large sums were received by Ministers for this nefarious purpose, and that this was " contemporaneous with the agreement of the 30th July, which Sir *Hugh* deemed satis- " factory. If those papers were genuine, he repeated that nothing could alter, nothing " diminish the infamy of that transaction. It was a bargain to give to a particular per- " son a benefit, at the same time that Ministers accepted from him by gift or loan an im- " mense sum of money, for the purpose of bribing the electors. These otherwise sensible " men are not ashamed to say, it is true, that Sir *Hugh* got the contract, and that he gave an " immense sum for the purposes of elections; but one thing had nothing to do with the other. " (Laughter.) He was, says these persons, an ardent politician, and gave his money to " support his party. (Laughter and cheers.) Do the letters show that he was an ardent " politician? Yes, they do; but, Mr. *Goldwin Smith* has said, it was in the politics of " steamboats and railways,—(Great cheering)—and his party was Sir *Hugh Allan*. " (Laughter.) However, we have Sir *Hugh Allan's* testimony on this matter; debased " as these letters show him to be, he has not told us that he lied in writing them. He " only committed a few little inaccuracies, such as he and you and I make in private con- " versations since we are only expected to be truthful when we speak in public (roars of " laughter). It is, therefore, true that he spent his money to get the contract. It has " been pretended that Mr. *Huntington* was bound to prove every Member of the Govern- " ment to be directly concerned in this matter,—he (Mr. *Blake*) supposed they must produce " an Order in Council where everything was formally agreed to (laughter.) But those " who were acquainted with Courts of Justice knew that frauds did not usually thus dis- " cover themselves. Such things were usually cloaked, and men were often found to say, " and even to swear, that simulated papers were genuine, but Courts will put these two " things together, and when they find a man with documents, assuring him some great " benefit in one hand and a lot of checks in the other, they take them together [cheers " and laughter.] The business-like receipts and drafts had something to do with this " idea. Sir *Hugh* knew that he was dealing with slippery customers, and therefore he " made his terms, and put everything down in writing. The principal actor in the affair, " no doubt, to-day regrets this extreme precaution, but the cause of truth and justice has " been well served by it. A remark, not unfrequently heard, is to the effect that " politicians are alike, and that if one Ministry is ejected the next will do something. " He was glad, however, to see that public virtue was not yet so low as to permit any- " one to assert this in public. It, nevertheles, received much private currency, and it " should, therefore, be frowned down by all who believed that Canadians were entitled to " the responsibility and the happiness of self Government. Men may say "you will " bribe, too," but have we not on our side of the House been endeavouring for years to " make bribery difficult, if not impossible? Have we not been pressing for an election " law which will give us means of obtaining cheap and searching justice in these particu- " lars; and have we not been told that there was a doubt if this system is suited to the cir- " cumstances of the country. (Cheers). What fair minded man can now doubt that this affection " was only made for the purpose of continuing the system of bribery and corruption " which has hitherto prevailed? Who that reads the decisions on electoral petitions could " help being ashamed of them? He did not blame the Speaker of the House for these " things—for he was inclined, like Mr. *Mackenzie*, to shut his eyes as much as possible to " that officer's failings—but he blamed the law. Because an illiterate man wrote his name " *Robertsen* instead of *Robinson*, the petition against *J. H. Cameron* was thrown out, " and there were many more similar decisions by which election petitions were prevented " from going before even such a wretched tribunal as the present Parliamentary " Committee. Yet that infamous law the Ministry had refused to rectify. What would " have been the result if the *Allan* gold had not been scattered broadcast through the " country? It was well known that there were everywhere venial persons, indifferent

" persons, and men with local interest to sell for money; and in counties where opinion
" was not very decided, it was easy to change the expression of it, by purchase of the
" venial, indifferent, and these local undertakers. Without the outlay of *Allan's* money
" no one could doubt that the complexion of this Parliament would have been very
" different. Among the members, every man may not be as deeply dyed in this iniquity
" as the Ministry; some may not have known that they added to the crime of corrupting
" constituencies that of selling their country, but those who did know will resist
" investigation to the last, as their crime is only a little less than that of those who
" perpetrated it; but when he saw that with a Parliament, even thus elected, one half of
" the members should take the decided step that had been taken to assert the rights of
" the Commons, he felt confident yet in the independence of representatives of the people.
" Parliament might hereafter resume the investigation, and might re-establish the
" Parliamentary tribunal. The motion which his friend had made he might then renew,
" and it would meet with a very different reception from that which it had had that
" afternoon. He hoped now that those who had thought it was the wish of a factious
" opposition to desire Parliament should sit while the Committee was sitting, would
" consider that, of what had taken place all that had occurred since would have been
" abrogated, and that investigation would now be complete. He hoped there would now
" be an investigation, not by men chosen by the accused, not by men named by gentlemen in
" the dock—(laughter)—but by those who should be chosen by Parliament,
" indifferently to try the question of innocence or guilt—(cheers)—and
" try an exhaustive examination of evidence. To such a tribunal he
" was willing to bow, but not to three persons, whoever they might be,
" appointed by those on whose innocence or guilt they were to decide. He was not ready
" to abandon the right of Parliament to try this case. He went for maintaining the
" course of Justice entered on by the House of Commons, which must not be
" interrupted and should be resumed at the earliest moment. (He sat down amid
" tremendous cheers.)

" Mr. *Huntington* said there were occasions that inspired eloquence, great occasions,
" which made great men, such as the result of the large measure that had to be discussed,
" and of the warmth of feeling that was elicited. He would pay a poor compliment by
" making a lengthy speech; but, however they might feel, this was a great question.
" He looked on it as a question, not whether a contract had been sold, but whether this
" country should or not, be governed by Parliament. He desired to speak with rever-
" ence for the Crown, but he did not want to go back to the time of Nero, when the deposi-
" tory of power could fiddle while the city burned. There were times when issues were
" so great that the cause of truth was far greater than any man, however highly he was
" placed. He had told them in Parliament what he could prove of these terrible charges,
" if he had an opportunity afforded him. He felt that he could prove these charges
" then; without that he would not have jeopardized his fair fame by making them; but
" when he stood up at that time to do his duty, to state when he asked that means might
" be taken to prevent witnesses from being tampered with, and documents from being
" made away with, if he had then told them that, failing to wriggle out of the net into
" which they had betrayed themselves, the Ministry would appeal to the prorogation;
" if he had told them this, and had suggested that these important papers might perhaps
" be floated away, that Mr. *Abbott*, when asked about the draft upon him, might assert
" that he is the Attorney of the Pacific Railway Company, and Sir *John A. Macdonald*
" himself might assert that he cannot be made to divulge the affairs of State; he might
" have been laughed at. (Cheers and laughter.)

" If he had half an hour of oral testimony he could explain and confirm, in the most
" incontestible manner, all the documentary evidence which had been already published.
" It had been said that he had gone into a mean business because he had got hold of
" secrets and therefore, could not be thought fit to sit at the table of a Knight. (Cheers.)
" He supposed he ought to have got a certificate from the men who were guilty, in order

" that they might prove their own guilt. (Laughter.) What must be thought of men who " argued in this manner in the press. Having, however, done his duty with the aid of " men of all parties who said that he should not be crushed, what more or less could be " asked than that the matter should be thoroughly prosecuted by the House of Commons " itself? (Cheers.) He never believed that so long as the Ministry could prevent it, " there would be any enquiry permitted. (Cheers.) He never thought that Sir *Francis* " *Hincks* would testify that being advanced in life, he would prefer cash to prospective " profits. (Laughter.)

" When Sir *John A. Macdonald* called himself a man, and when, laying his hand on " his heart, he declared that there was no truth whatever in the charges which had been " ma le, was it likely he would have appeared before a Committee and have said that " there were papers in the hands of another party which would prove all the charges " against him, and which he had sought to destroy. (Cheers.) Was it likely that he " would have told them of that telegram asking for another $10,000, with the assurance " that he would, if he got that last demand, ask for no more? (Cheers.) Circumstance " had, in this matter of delay, been constantly in favour of the Ministry, but Providence " had, on the contrary, been always against them. To-day it was a contest of Providence " on one side and prorogation on the other; and if they would stand by their own rights, " they would find that Providence would gain the victory. (Cheers.) He then returned " thanks to several able men who had assisted him in carrying on this prosecution— " men who were not all of the party to which he belonged, but who had firmly lent him " their support. There were indeed as many Conservatives as there were Liberals who " would feel deeply humiliated at the reflection that the prerogative of the Crown had " been to-day trampled in the dust for the sake of screening men, who had rendered " themselves guilty of the worst crimes against the liberty of the people. The Hon. " Sir *John A. Macdonald* always showed himself in favour of a Royal Commission, but " that project did not take with the House. The honourable members, however, have " the promise of this blessing being shed upon them, and Sir *John A. Macdonald* would now, " no doubt, be most anxious to prove his own guilt. (Cheers). They might, however, see " that Sir *Francis Hincks* did not rush to the front with much alacrity when his evidence " was called for; yet, under this blessed Commission, this great alacrity will, of course, be " exhibited by him. He did not believe it. Sir *Hugh*, according to his judgment, when " called into the witness box would say that he cannot criminate himself. The Com- " missioners would say certainly not, and the Right Honourable gentleman would then " rub his hands and say he never thought of that, and that he is inexpressibly sorry. " (Cheers.) He had in Parliament told the House that he could prove these charges " which he had made, and told them now that although temporary contumely had been " thrown on Parliament, it would at least be before Parliament that they would carry " this prosecution to its rightful close. (Immense cheering.)

" Mr *Dorion* said that instead of a speech he would suggest an adjournment till " seven o'clock, and the appointment of a Committee to prepare resolutions to be adopted. " He had merely to touch upon the Oaths Bill. Whose fault was it that the evidence had " not already been taken on oath? It was the fault of those who had, in an unusual manner " ner, sent this Oaths Bill to England, even before Parliament was adjourned, for he was " informed that bills had never, for many years, been sent to England until three months " after the rising of Parliament, and when all the Acts of the Session had been printed " and bound and sent at the same time; yet there were two Acts, one of our own Par- " liament, and one of that of Ontario, which, though liable to the same objection, " had never been disallowed to this day. The disallowance must, therefore, have been " procured by some influence, he would not say by what, to screen men who had " disgraced the names of Canadians. The prerogative right was supposed to be employed " to protect the liberties of the people; to-day it has been employed to destroy them, and " this act would create an excitement throughout the country, little expected, he believed,

"by the Governor General, who, in proroguing the House had acted upon advice from "persons not at all qualified to give it.

"The meeting then adjourned till 7 o'clock.

"In the evening a very large and most enthusiastic meeting of Members and others "was held in the Railway Committee Room, under the presidency of Mr. *Mackenzie*. "The room was crowded to its utmost capacity, and the feeling manifested was that of "the deepest indignation against the Ministry, who had trampled on the Constitutional "rights of the people. The Governor-General was also spoken of as having overstretched "the Royal prerogative, which, instead of being exercised to shield the Ministry from "enquiry, should have been used to hasten and second the proper conduct of an enquiry.

"It was moved by Mr. *Cauchon*, seconded by Mr. *Mills*, and resolved:

"'That, in the opinion of this meeting, the prorogation of Parliament without "'giving the House of Commons the opportunity of prosecuting the enquiry which it "'had undertaken, is a gross violation of the privileges and independence of Par-"'liament, and of the rights of the people.

"Moved by Dr. *Forbes*, seconded by Mr. *Cartwright*, and

"Resolved—'That, in the opinion of this meeting, the House of Commons is the "'proper body to institute and prosecute an enquiry into the pending charges against "'Ministers; and that the action of the accused Ministers, in removing the enquiry "'from the Commons, and appointing a Commission under their own control to try "'themselves, is a gross violation of the rights, privileges and independence of Par-"'liament; and it will be the imperative duty of the House of Commons, at the earliest "'moment at which it is allowed to meet, to take action for the vindication of their "'rights; and for the resumption of a Parliamentary enquiry.'

"Eloquent and stirring addresses were delivered by Messrs. *Cauchon*, *Mills*, *Forbes*, "*Cartwright*, Hon. *A. J. Smith*, *Isaac Burpee*, *McDonald* (Inverness), *Cunningham*, "*Coffin*, *Goudge* (Hants), *Fisset*, Senators *Letellier de St. Just*, *Christie*, *Rymal*, Hon. *John* "*Young*, *Jetté*, *Anglin*, *and Mackenzie*.

"The meeting broke up about 10.30 p.m.

"Although many gentlemen who had previously been indentified with the Govern-"ment were present, not one of them expressed dissatisfaction with the proceedings, or "in any way indicated their dissent. Each Member proposed to bring the matter before "his constituents at the earliest possible moment, and there is little doubt that there will "be a tremendous agitation throughout the length and breadth of Canada;"